

PUBLIC DISCLOSURE

June 30, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Adirondack Trust Company
RSSD No. 645317

473 Broadway
Saratoga Springs, New York 12866

Federal Reserve Bank of New York

33 Liberty Street
New York, NY 10045

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

THIS INSTITUTION IS RATED: Satisfactory

The following table indicates the performance level of The Adirondack Trust Company (ATC or the bank) with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			
<i>* The Lending Test is weighted more heavily than the Investment Test and Service Test in determining the overall rating.</i>			

SUMMARY OF MAJOR FACTORS SUPPORTING RATINGS

The major factors supporting the bank's rating include:

LENDING TEST

- Lending levels reflected good responsiveness to the assessment area credit needs.
- A high percentage of loans were made in the bank's assessment areas.
- The geographic distribution of loans reflected adequate penetration throughout the assessment areas.
- The distribution of borrowers reflected, given the product lines offered by the bank, adequate penetration among retail customers of different income levels and among business customers of different sizes.
- The bank exhibited an adequate record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
- The bank was a leader in making community development loans.
- The bank made limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs.

INVESTMENT TEST

- The bank had an adequate level of qualified community development investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibited adequate responsiveness to credit and community economic development needs.
- The bank rarely used innovative and/or complex investments to support community development initiatives.

SERVICE TEST

- Delivery systems were reasonably accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and/or to LMI individuals.
- Services (including business hours) did not vary in a way that inconvenienced certain portions of the assessment areas, particularly LMI geographies and/or individuals.
- The bank provided a relatively high level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

ATC is a full-service state member bank headquartered in Saratoga Springs, New York (NY) with total assets of \$1.7 billion as of December 31, 2024. ATC operates 13 full-service branches, including its main office, and 17 automated teller machines (ATMs) in Saratoga and Warren Counties, as well as two insurance offices in Saratoga Springs and Albany, NY.

ATC offers a variety of traditional banking services, including consumer and commercial deposit and lending products. Consumer loan products include residential mortgages and construction loans, home equity loans and lines of credit, home improvement loans, unsecured personal loans, and credit card products. Commercial loan products include commercial mortgages, term loans, lines of credit, construction loans, multifamily loans, business credit cards, and small business loans. Deposit products include checking, savings, Negotiable Order of Withdrawal (NOW)/Automatic Transfer Service (ATS), time deposit, and money market deposit accounts.

Based on the December 31, 2024, Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report), ATC's loan portfolio by dollar volume consisted of a mix of nonfarm nonresidential, one-to-four residential real estate, and multifamily dwellings as summarized in the following table.

Loan Portfolio		
Loan Type	\$(000's)	%
1-4 Family Residential Real Estate	249,893	25.1
Construction, Land Development, and Other Land Loans	26,411	2.7
Multifamily (5 or more units) Residential Real Estate	127,051	12.8
Home Equity Line of Credit	41,281	4.1
Consumer	14,236	1.4
Agricultural Production and Other Loans to Farmers	0	0
Commercial & Industrial	75,452	7.6
Nonfarm Nonresidential Secured	456,019	45.8
Other	5,810	0.6
Total Loans	996,153	100.0
<i>Source: Call Report as of December 31, 2024</i>		

Based on the December 31, 2024, Uniform Bank Performance Report (UBPR), ATC's deposit portfolio by dollar volume was primarily comprised of money market, demand, and other savings deposit accounts as summarized in the following table.

Deposit Portfolio		
Deposit Type	\$(000's)	%
Demand Deposits	392,726	25.8
All NOW and ATS	173,448	11.4
Money Market Deposits	515,670	33.9
Other Savings Deposits	128,934	8.5
Time Deposits at or below Insurance Limit	211,140	13.9
Time Deposits Above Insurance Limit	98,106	6.5
Total Deposits	1,520,024	100.0
<i>Source: UBPR as of December 31, 2024</i>		

There were no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA.

Previous Public Evaluation

The Federal Reserve Bank of New York assigned a rating of Satisfactory, at the prior CRA Performance Evaluation dated December 5, 2022, using the FFIEC Intermediate Small CRA Examination Procedures. The Lending Test was rated Satisfactory, and the Community Development Test was rated Outstanding. As of January 1, 2022, ATC met the asset threshold to be evaluated as Large Bank. This is the bank's first evaluation as a Large Bank.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. During the evaluation period, ATC did not make any changes to its two delineated assessment areas. However, pursuant to the 2020 U.S. Census Bureau, the assessment areas were revised to include the newly delineated census tracts.

1. Metropolitan Statistical Area (MSA) 10580 (Albany-Schenectady-Troy, NY)

This assessment area consisted of a portion of Saratoga County within MSA 10580 (Albany-Schenectady-Troy, NY) and received a full scope review. Due to the U.S. Department of Commerce's Bureau of the Census 2020 (2020 U.S. Census) revisions, the number of census tracts in this assessment area increased from 30 to 41. Notably, the number of moderate-income census tracts increased from five to eight. This assessment area continues to have no low-income census tracts.

2. MSA 24020 (Glens Falls, NY)

This assessment area consisted of a portion of Warren County within MSA 24020 (Glens Falls, NY) and received a limited scope review. Due to the 2020 U.S. Census revisions, the number of tracts in this assessment area increased from 13 to 16. Notably, the number of low-income census tracts increased from zero to one tract and the number of moderate-income census tracts increased from one to two tracts.

The bank's assessment areas were in compliance with the requirements of Section 228.41 of Regulation BB. Maps illustrating the bank's assessment areas are in Appendix A.

SCOPE OF EVALUATION

Procedures

To assess ATC's CRA performance, examiners applied the FFIEC's Large Institution CRA Examination Procedures, which includes the Lending Test, the Investment Test, and the Service Test. The evaluation considered the performance context, including the bank's asset size, financial condition, market competition, assessment area demographics, and credit and community development needs.

Products

During this evaluation, home mortgage and small business loans were analyzed as these loan types represented the major product lines based on a review of bank records, business strategy, and loan portfolio composition. During the review period, ATC was a Home Mortgage Disclosure Act (HMDA) reporter and a CRA Small Business reporter for 2022, 2023, and 2024. For the Lending Test, home mortgage loans included home purchase, home improvement, home refinance, and multifamily loans, which examiners combined and analyzed collectively, as individually, the loan volumes were insufficient to provide meaningful analysis. The bank did not originate small farm loans; thus, they were excluded from the evaluation. Small business loans included commercial real estate loans, commercial and industrial loans, and lines of credit in amounts of \$1.0 million or less. Examiners verified the integrity of the bank's HMDA- and CRA-reported data from January 1, 2022 through December 31, 2024.

Examiners also analyzed community development loans, investments, and services. Multifamily loans qualifying as community development loans were also considered in the evaluation of community development lending.

Evaluation Period

Examiners reviewed the bank's home mortgage and small business loans originated between January 1, 2022 through December 31, 2024. The evaluation of the bank's community development loans, qualified investments, philanthropic grants, and community development services included all qualified activities from October 1, 2022 through December 31, 2024. The Investment Test also included the current book value of any qualified investments outstanding from the prior evaluation.

Lending Analysis

Under the Lending Test, geographic and borrower distribution analyses were based on loan activity inside ATC's assessment areas. The bank's 2022, 2023, and 2024 home mortgage lending was compared to the 2020 U.S. Census demographic data and aggregate home mortgage loan data for 2022, 2023, and 2024. The bank's record of small business lending was compared to 2022, 2023, and 2024 Dun & Bradstreet (D&B) demographic data and aggregate small business loan data for 2022, 2023, and 2024. Aggregate lenders included all lenders required to report HMDA- and CRA-reportable small business lending data within the assessment area. For retail services, the bank's branch distribution analysis was conducted using data as of December 31, 2024.

To evaluate the geographic distribution of the bank's home mortgage lending, the proportion of home mortgage loan originations located in LMI geographies was compared to the proportion of owner-occupied housing units located in LMI geographies. For small business loans, the geographic distribution analysis compared the proportion of loan originations located in LMI geographies with the proportion of businesses located in LMI geographies, based on D&B data. Performance in LMI geographies was analyzed separately. The lending analysis also considered lending opportunities in LMI census tracts as indicated by demographic data.

To analyze the distribution of home mortgage lending by borrower profile, the proportion of originations to LMI borrowers was compared to the proportion of LMI families residing in the assessment area. Median family income (MFI) estimates from the FFIEC were used to categorize borrower income. For small business lending, ATC's proportion of loans to businesses with gross annual revenues (GAR) of \$1.0 million or less, based on D&B data, were compared to the proportion of all such businesses located in the assessment area.

Community Development Activity Analysis

Community development activities were reviewed to determine whether activities had community development as a primary purpose and whether the community development activities benefited the bank's assessment area or the broader statewide or regional area (BSRA) if the institution met the needs of its existing assessment area. The eligibility of a loan, investment, or service as a community development activity was based on demographic information at the time the community development activity was undertaken. Qualified community development activities were analyzed from both the quantitative and qualitative perspectives to understand the volume of activity impacting a particular assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, peer comparisons were conducted using annualized metrics to gauge the relative performance of the bank in a particular assessment area.

Deriving Overall Conclusions

Examiners conducted a full scope review for one of the two assessment areas. ATC's performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area received a full scope review based on the area's concentration of deposits, branches, ATMs, and overall lending activity, and thus was used in determining the overall rating. The MSA 24020 (Glens Falls, NY) assessment area received a limited scope review based on lower deposit, lending volumes, and market presence. Demographic and economic information was considered in the bank's performance context and is discussed in detail within the review of MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. In reaching a conclusion within an individual assessment area, products were weighted based on their volume in that area.

Community Contacts

To learn more about community credit needs, examiners conducted interviews with two community organizations. Please refer to the Community Contacts section within MSA 10580 (Albany-Schenectady-Troy, NY) assessment area for more details.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The conclusions within this section present the bank's performance at the institution level. Please refer to the respective assessment area sections for more details.

LENDING TEST

ATC's overall performance under the Lending Test was rated High Satisfactory. This rating is primarily driven by the bank's borrower profile performance and community development lending activities.

Lending Activity

Lending levels reflected good responsiveness to the assessment area credit needs, given the bank's capacity to

meet the assessment area's credit needs and overall market conditions. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

During the evaluation period, the bank made 464 home mortgage loans totaling \$307.0 million and 461 small business loans totaling approximately \$85.8 million. This lending activity represented an overall annualized performance over 36 months of 155 home mortgage loans totaling \$102.2 million and 154 small business loans totaling \$28.6 million. Annualized performance decreased by 39.6% by number of home mortgage loans and 75.3% of small business loans by number, when compared to the bank's previous evaluation's annualized performance of 256 home mortgage loans and 622 small business loans over 48 months. The decrease in home mortgage lending activity was attributed to a high-interest rate environment and reduced housing affordability following the COVID-19 pandemic. Additionally, the decrease in small business lending was attributed to the previous evaluation period including Paycheck Protection Program (PPP) originations. In the prior evaluation, the bank originated 1,570 PPP loans which represented a substantial majority (79.6%) of the bank's total small business loans.

The bank's institutional lending activity is summarized in the table below.

Summary of Institution Lending Activity				
Loan Type	#	%	\$ (000's)	%
Home Improvement	37	4.0	3,195	0.8
Home Purchase	284	30.7	114,336	29.1
Multifamily	52	5.6	163,648	41.7
Home Refinance	91	9.8	25,412	6.5
Total Home Mortgage	464	50.2	306,591	78.1
Total Small Business	461	49.8	85,759	21.9
TOTAL LOANS	925	100.0	392,350	100.0
<i>Source: Bank data, HMDA- and CRA-reported data January 1, 2022 to December 31, 2024</i>				

Assessment Area Concentration

A high percentage of loans were made in the bank's assessment areas. As shown in the subsequent table, 77.0% of the bank's total loans by number and 78.0% by dollar volume were made in the bank's assessment areas. The bank displayed a stronger performance in home mortgage lending, by number and dollar volume, with 80.8% by number and 81.4% by dollar volume of such loans extended within the assessment areas. The bank also displayed a high percentage of small business loans by number (73.1%) and a slightly lesser percentage by dollar volume (66.1%) extended within the assessment areas.

The bank's lending inside and outside the assessment areas is summarized in the following table.

Lending Inside and Outside the Assessment Area								
	Inside				Outside			
Loan Type	#	%	\$(000's)	%	#	%	\$(000's)	%
Home Purchase	223	78.5	91,060	79.6	61	21.5	23,276	20.4
Home Improvement	31	83.8	2,888	90.4	6	16.2	307	9.6
Multifamily	39	75.0	132,016	80.7	13	25.0	31,632	19.3
Home Refinance	82	90.1	23,482	92.4	9	9.9	1,930	7.6
Total Home Mortgage	375	80.8	249,446	81.4	89	19.2	57,145	18.6
Total Small Business	337	73.1	56,658	66.1	124	26.9	29,101	33.9
TOTAL LOANS	712	77.0	306,104	78.0	213	23.0	86,246	22.0
<i>Source: Bank data; HMDA- and CRA-reported data, January 1, 2022 to December 31, 2024</i>								

Geographic Distribution of Loans

The geographic distribution of loans reflected adequate penetration throughout the assessment areas. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. For details, please refer to the Geographic Distribution of Loans section for the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Borrower Profile

The borrower distribution of loans reflected adequate penetration throughout the assessment areas. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. For details, please refer to the Borrower Profile section for MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Responsiveness to Credit Needs of Low and Moderate-Income Individuals and Small Businesses

The bank exhibited an adequate record of serving the credits needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Community Development Lending Activities

ATC is a leader in making community development loans. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

During the evaluation period, the bank originated 37 community development loans for \$61.3 million within its assessment areas, including the BSRA. Since the bank met the needs of the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area, community development loans that benefited the BSRA were also considered. This lending level represented an annualized performance over 27 months of \$27.2 million. Compared to the previous evaluation, when the bank had an annualized performance of \$22.0 million, this represented an increase by dollar volume of 23.7%. Additionally, the annualized number of community development loans increased by 31.2%, or from approximately 13 loans to 16 loans.

The table below illustrates the bank's community development loan activity by assessment area and purpose.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
MSA 10580 (Albany-Schenectady-Troy, NY)	4	1,540	7	748	6	25,088	2	848	19	28,224
MSA 24020 (Glens Falls, NY)	1	312	0	0	9	13,056	0	0	10	13,368
BSRA	0	0	0	0	6	16,701	2	3,000	8	19,701
Total	5	1,852	7	748	21	54,845	4	3,848	37	61,293
<i>Source: Bank data, October 1, 2022 to December 31, 2024</i>										

Innovative and/or Flexible Lending Practices

The bank made limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

INVESTMENT TEST

ATC's overall performance under the Investment Test was rated Low Satisfactory.

Investment and Grant Activity

ATC had an adequate level of qualified community development investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

During the evaluation period, the bank reported 98 qualified investments and grants totaling \$8.7 million, which included 1 new investment for \$5.0 million, 8 prior period investments for \$3.5 million and 89 grants totaling \$212,000. The new investment consisted of a mortgage-backed security secured by a multifamily property which includes units reserved for families who earn below 60.0% of the area median income in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. Of the 8 prior period investments, 2 investments (25.0%) were located within the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area and 5 investments (62.5%) benefited the BSRA.

The total level of investment and grant activity represented an annualized performance over 27 months of \$3.8 million. Compared to the previous evaluation, where the bank had an annualized performance of \$2.3 million, performance by dollar volume increased by 65.9%. Although there was a significant increase in performance by dollar volume, it was primarily driven by the \$5.0 million mortgage-backed security investment in MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

The table below illustrates the bank's community development investment and grant activity by assessment area and purpose.

Qualified Investments and Grants by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
MSA 10580 (Albany-Schenectady-Troy, NY)	2	6,288	0	0	0	0	1	63	3	6,351
MSA 24020 (Glens Falls, NY)	0	0	0	0	0	0	1	330	1	330
BSRA	2	1,001	0	0	0	0	3	854	5	1,855
Total Investments	4	7,289	0	0	0	0	5	1,247	9	8,536
Total Grants	3	28	76	163	7	12	3	9	89	212
Grand Total	7	7,317	76	163	7	12	8	1,256	98	8,748
<i>Source: Bank data, October 1, 2022 to December 31, 2024</i>										

Responsiveness to Credit and Community Development Needs

The bank exhibited adequate responsiveness to credit and community economic development needs. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Community Development Initiatives

The bank rarely used innovative and/or complex investments to support community development initiatives. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

SERVICE TEST

ATC's overall performance under the Service Test was rated Low Satisfactory.

Retail Services

Accessibility of Delivery Systems

Delivery systems were reasonably accessible to essentially all portions of the bank's assessment areas. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Changes in Branch Locations

To the extent changes have been made, the bank's opening and closing of branches did generally not adversely affect the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) did not vary in a way that inconvenienced certain portions of the assessment areas, particularly LMI geographies and/or individuals. This conclusion is based

primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Community Development Services

ATC provided a relatively high level of community development services. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

The bank provided 97 community development services solely within the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area and BSRA, primarily addressing community service needs. This represented an annualized performance over 27 months of approximately 43 community development services. This represented a slight decrease of 14.0% compared to the previous evaluation's annualized performance of approximately 50 community development services. Services were primarily targeted toward affordable housing (16.5%) and community services (61.9%), which were responsive to the community development needs.

The table below illustrates the bank's community development services by assessment area and purpose.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
MSA 10580 (Albany-Schenectady-Troy, NY)	16	57	12	6	91
MSA 24020 (Glens Falls, NY)	0	0	0	0	0
BSRA	0	3	3	0	6
Total	16	60	15	6	97
<i>Source: Bank data, October 1, 2022 to December 31, 2024</i>					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank was in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the community credit needs of the assessment area was identified.

MSA 10580 (ALBANY-SCHENECTADY-TROY, NY) – FULL SCOPE REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS

ATC operated 10 (76.9%) of its 13 branch locations and 14 (82.4%) of its 17 full-service ATMs in this assessment area during the evaluation period. In addition, the bank operated 9 cash only ATMs in this assessment area.

According to the June 30, 2024 FDIC Summary of Deposit Report, 17 institutions operated 72 offices within this assessment area. ATC ranked first with approximately \$1.3 billion in deposits, which represented 19.4% of the deposit market share and accounted for 94.0% of the bank’s total branch deposits. This assessment area generated approximately 55.0% by number and 53.2% by dollar volume of the bank’s combined total lending activity from January 1, 2022 to December 31, 2024. Competitors included large financial institutions, such as Bank of America, KeyBank, and Citizens Bank as well as regional and local banks, such as Trustco Bank, Ballston Spa National Bank, and Pioneer Bank.

SCOPE OF EVALUATION

Examiners used full scope examination procedures to evaluate the bank’s performance in this assessment area.

PERFORMANCE CONTEXT

The following demographic and economic information were used to describe this assessment area and to evaluate the context in which the bank operated. The information was obtained from publicly available sources, including the American Community Survey (ACS), Bureau of Labor Statistics (BLS), D&B, FFIEC, U.S. Census, and U.S. Department of Housing and Urban Development (HUD).

Demographic Characteristics

The assessment area included a portion of Saratoga County, NY. According to the 2020 U.S. Census, the population of this assessment area was 149,554. The assessment area consisted of 41 census tracts of which 8 or 19.5% were moderate-income, 22 or 53.7% were middle-income, 10 or 24.4% were upper-income, and 1 or 2.4% was of unknown-income. There were no low-income census tracts located within the assessment area.

Income Characteristics

Based on the 2020 U.S. Census, the assessment area had 39,028 families, of which 17.7% were low-income (4.1% of which were below the poverty level), 17.4% were moderate-income, 22.5% were middle-income, and 42.3% were upper-income. This data suggests it would be difficult for LMI families to qualify for a home mortgage loan or support a monthly mortgage payment, especially considering the area’s median housing value of \$253,735. Therefore, lenders may have faced challenges originating loans to LMI borrowers.

The following table depicts the MFIs for the assessment area for 2015 and 2020.

Median Family Income Change			
Geographic Area	2015 MFI	2020 MFI	% Change
Assessment Area	\$95,656	\$106,258	11.1
MSA 10580 (Albany-Schenectady-Troy, NY)	\$88,611	\$95,438	7.7
State of NY	\$78,570	\$87,270	11.1
<i>Source: 2015 ACS and 2020 U.S. Census; MFIs have been inflation-adjusted and expressed in 2020 dollars.</i>			

Housing Characteristics

Based on the 2020 U.S. Census, the assessment area had 67,621 housing units, of which 63.4% were owner-occupied, 27.9% were rental, and 8.7% were vacant. Of the total housing units, 14.0% were located in moderate-income census tracts, 61.9% in middle-income census tracts, and 24.1% in upper-income census tracts. In moderate-income census tracts, 52.1% of housing units were owner-occupied, 37.1% were rental units, and 10.7% were vacant. This data suggests that there was a greater opportunity to own housing units in moderate-income geographies in this assessment area, which would indicate a greater opportunity for lenders to originate home mortgage loans in moderate-income geographies.

The median age of housing stock in this assessment area was 45 years old, with 22.5% of the stock built before 1950. The median age of housing stock was 61 years in moderate-income census tracts. According to the 2020 U.S. Census, the median housing value in this assessment area was \$253,735 with an affordability ratio of 31.9. The median gross rent in the assessment area was \$1,157 per month.

The table below depicts the housing characteristics in the assessment area.

Housing Characteristics			
Geographic Area	2020 Median Housing Value	2020 Affordability Ratio	2020 Median Gross Rent
Assessment Area	\$253,735	31.9	\$1,157
MSA 10580 (Albany-Schenectady-Troy, NY)	\$221,155	32.9	\$1,039
State of NY	\$325,000	21.9	\$1,315
<i>Source: 2020 U.S. Census</i>			

Housing Cost Burden

Housing costs were relatively expensive in this assessment area, which indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD, within the assessment area, 34.7% of all rental households, 76.0% of low-income rental households, and 37.5% of moderate-income rental households had rental costs that exceeded 30.0% of their income. Additionally, 16.5% of homeowners, 61.9% of low-income homeowners, and 28.7% of moderate-income homeowners had housing costs that exceeded 30.0% of their income. This data suggests that the high rate of housing cost among LMI renters and homeowners reflected ongoing affordability challenges in the area. These conditions may have limited opportunities for lenders to originate home mortgage loans in this assessment area. Additional housing cost data is provided in the following table.

Housing Cost Burden*						
Area	Cost Burden-Renters			Cost Burden-Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	76.0%	37.5%	34.7%	61.9%	28.7%	16.5%
MSA 10580 (Albany-Schenectady-Troy, NY)	75.6%	26.8%	39.5%	61.5%	28.6%	16.7%
State of NY	76.4%	42.8%	46.8%	70.8%	40.8%	25.5%
<i>*Housing Cost Burden is housing cost that equals 30% or more of household income. Source: HUD 2017-2021 Comprehensive Housing Affordability Strategy</i>						

Labor, Employment and Economic Characteristics

According to D&B, there were 5,880 businesses operating in this assessment area in 2024, of which 9.8% were in moderate-income census tracts. Of the total businesses operating in the assessment area, 92.4% were small businesses with GAR of \$1.0 million or less, of which 9.7% were in moderate-income census tracts.

According to the BLS, unemployment in the assessment area was 2.7% in 2022, and rose slightly to maintain 2.9% in 2023 and 2024. In contrast, the state of New York had an unemployment rate that was significantly higher at 4.3% in 2022, decreasing slightly to 4.2% in 2023 before returning to 4.3% in 2024. This data indicates that the assessment area experienced lower unemployment than the overall state.

Additional unemployment rates are provided in the subsequent table.

Unemployment Rates			
Area	2022	2023	2024
Assessment Area	2.7%	2.9%	2.9%
MSA 10580 (Albany-Schenectady-Troy, NY)	3.1%	3.2%	3.3%
State of NY	4.3%	4.2%	4.3%
Source: BLS, Local Area Unemployment Statistics			

Additional performance context for this assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0	0	0	0	0	6,922	17.7
Moderate	8	19.5	5,027	12.9	395	7.9	6,784	17.4
Middle	22	53.7	23,788	61.0	1,008	4.2	8,798	22.5
Upper	10	24.4	10,210	26.2	203	2.0	16,524	42.3
Unknown	1	2.4	3	0	0	0	0	0
Total Assessment Area	41	100.0	39,028	100.0	1,606	4.1	39,028	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low	0	0	0	0	0	0	0	0
Moderate	9,487	4,945	11.5	52.1	3,524	37.1	1,018	10.7
Middle	41,832	26,087	60.9	62.4	12,322	29.5	3,423	8.2
Upper	16,299	11,809	27.6	72.5	3,044	18.7	1,446	8.9
Unknown	3	3	0	100.0	0	0	0	0
Total Assessment Area	67,621	42,844	100.0	63.4	18,890	27.9	5,887	8.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1.0 Million		Over \$1.0 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	0	0	0	0	0	0	0	0
Moderate	575	9.8	525	9.7	34	9.6	16	17.8
Middle	3,718	63.2	3,426	63.0	234	65.9	58	64.4
Upper	1,584	26.9	1,483	27.3	85	23.9	16	17.8
Unknown	3	0.1	1	0	2	0.6	0	0
Total Assessment Area	5,880	100.0	5,435	100.0	355	100.0	90	100.0
	% of Total Businesses:			92.4		6.0		1.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1.0 Million		Over \$1.0 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	0	0	0	0	0	0	0	0
Moderate	7	5.1	7	5.3	0	0	0	0
Middle	112	81.2	105	80.2	7	100.0	0	0
Upper	19	13.8	19	14.5	0	0	0	0
Unknown	0	0	0	0	0	0	0	0
Total Assessment Area	138	100.0	131	100.0	7	100.0	0	0
	% of Total Farms:			94.9		5.1		0
Source: 2024 FFIEC and 2024 D&B								

Community Contact

To understand community development and credit needs, recent community contact interviews were conducted with representatives within the assessment area. The contacts had expertise in their respective fields and were familiar with the economic and community development opportunities in the assessment area. Information obtained from these interviews helped establish a context for the communities within the assessment area.

Examiners conducted two community contact interviews. The first interview was conducted with a representative from a non-profit organization that serves the assessment area and provides essential services, including food programs and family services to LMI families. The representative highlighted affordable housing as a persistent and growing need, with limited inventory and rising costs making available options largely unaffordable for LMI residents. The representative also indicated that while the local economy is generally strong, the need for support services such as transportation and food pantries increased as pandemic-era relief programs expired, leading to higher demand across community resources. Additionally, the contact further indicated that access to small business financing, particularly working capital lines of credit, was a need within the assessment area.

A second interview was conducted with a representative from a nonprofit affordable housing organization that serves the assessment area and partners with government agencies, municipalities, and philanthropic donors to help local LMI families achieve homeownership. The representative indicated that the local economy is generally stable; however, the housing market remained under pressure. According to the contact, this was largely due to an influx of New York City residents buying homes in the assessment area, which increased property costs in the assessment area. Additionally, the representative noted that with the arrival of a large chip manufacturer in the region, an increase in out-of-area workers may have led to tightening housing supply and contributed to rising costs. Further, the representative stated that most new developments were aimed at higher-income buyers, and less at affordable housing, leaving local working families with limited options to purchase a home in an increasingly competitive housing market.

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing and community services represented the primary community development needs in this assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

ATC's performance under the Lending Test was good in this assessment area. This rating is primarily driven by the bank's borrower profile lending performance and community development lending activities.

Lending Activity

Lending levels reflected good responsiveness to the assessment area credit needs. This conclusion was based on the bank's volume of home mortgage and small business loans originated during the evaluation period.

As shown in the subsequent table, the bank made 287 home mortgage loans totaling \$170.1 million and 222 small business loans totaling approximately \$38.8 million. This lending activity represented an overall annualized performance over 36 months of 96 home mortgage loans totaling \$56.7 million and 74 small business loans totaling \$12.9 million. Annualized performance decreased by 45.2% by number of home mortgage loans, and 80.9% of small business loans by number, when compared to the bank's previous evaluation's annualized performance of 175 home mortgage loans and 388 small business loans over 48

months. The decrease in home mortgage lending activity was attributed to a high-interest rate environment and reduced housing affordability following the pandemic. Additionally, the decrease in small business lending was attributed to the previous evaluation period including PPP originations.

In 2024, ATC ranked 9 out of 160 HMDA lending reporters with a market share of 3.0%. This compares to a ranking of 11 out of 152 (2.9%) in 2023 and 10 out of 194 (2.6%) in 2022, reflecting a slight increase in market share during the evaluation period. The institutions that ranked higher than ATC were regional banks, credit unions, and large mortgage lending companies. The top 3 institutions captured 24.1% of the total market share in 2024, 27.4% in 2023, and 20.7% in 2022 indicating a fluctuating but overall upward trend in market concentration among the leading lenders over the 3-year period. This indicates that the bank is a significant mortgage lender in the market, outperforming most peers despite intense competition from larger or specialized institutions.

In 2024, ATC ranked 10 out of 71 CRA small business lending reporters with a market share of 1.8%. This compares to a ranking of 10 out of 72 (2.2%) in 2023 and 10 out of 73 (2.5%) in 2022, reflecting a downward trend in market share during the evaluation period. The top 3 institutions captured 54.3% of the total market share in 2024, 53.3% in 2023, and 49.0% in 2022 indicating an upward trend in market concentration among the leading lenders over the 3-year period. This indicates the bank maintains a meaningful level of business lending activity in a highly concentrated market dominated by significantly larger institutions.

The bank's lending activity is summarized in the table below.

Summary of Lending Activity				
Loan Type	#	%	\$(000's)	%
Home Improvement	24	4.7	2,733	1.3
Home Purchase	176	34.6	76,592	36.7
Multifamily	27	5.3	73,140	35.0
Home Refinance	60	11.8	17,616	8.4
Total Home Mortgage	287	56.4	170,081	81.4
Total Small Business	222	43.6	38,766	18.6
TOTAL LOANS	509	100.0	208,847	100.0

Source: Bank data, HMDA- and CRA-reported data January 1, 2022 to December 31, 2024

Geographic Distribution of Loans

The geographic distribution of loans reflected adequate penetration through the assessment area. Lending penetration in moderate-income census tracts was adequate for home mortgage loans and adequate for small business loans.

This analysis was based on the geographic distribution of loans in the eight moderate-income census tracts, as this assessment area did not contain any low-income census tracts. Given the low number of moderate-income geographies and lack of low-income geographies, examiners gave less weight to the geographic distribution of loans.

Gap Analysis

ATC demonstrated a good level of dispersion in moderate-income census tracts in the assessment area. The bank's performance in moderate-income tracts reflected an increasing trend in 2024 with 87.5% penetration, compared to 75.0% in 2023 and 2022.

The bank's lending gap analysis in the assessment area is summarized in the table below.

Lending Gap Analysis			
Tract Income Levels	Number of Tracts	Tracts with no Loans	Penetration %
2024			
Low	0	0	0
Moderate	8	1	87.5
Middle	22	3	86.4
Upper	10	0	100.0
Unknown	1	1	0
2023			
Low	0	0	0
Moderate	8	2	75.0
Middle	22	2	90.9
Upper	10	0	100.0
Unknown	1	1	0
2022			
Low	0	0	0
Moderate	8	2	75.0
Middle	22	2	90.9
Upper	10	1	90.0
Unknown	1	1	0

Source: Bank data, January 1, 2022 to December 31, 2024.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflected adequate penetration throughout the assessment area.

Geographic Distribution of Home Mortgage Loans								
Geographic Income Level	Bank And Aggregate Loans						Owner- Occupied Units %	
	Bank		Agg	Bank		Agg		
	#	#%	#%	\$(000's)	\$%	\$%		
Moderate								
2024	9	10.6	11.3	4,014	9.7	8.4	11.5	
2023	9	10.5	11.6	1,895	7.1	9.1	11.5	
2022	13	11.2	11.7	6,420	6.3	12.4	11.5	
Middle								
2024	44	51.8	57.5	23,012	55.4	59.8	60.9	
2023	51	59.3	60.1	16,078	60.5	58.6	60.9	
2022	69	59.5	57.4	81,111	79.6	54.2	60.9	
Upper								
2024	32	37.6	31.3	14,543	35.0	31.8	27.6	
2023	26	30.2	28.3	8,600	32.4	32.3	27.6	
2022	34	29.3	30.9	14,408	14.1	33.3	27.6	
Unknown								
2024	0	0	0	0	0	0	0	
2023	0	0	0	0	0	0	0	
2022	0	0	0	0	0	0	0	
Totals								
2024	85	100.0	100.0	41,569	100.0	100.0	100.0	
2023	86	100.0	100.0	26,573	100.0	100.0	100.0	
2022	116	100.0	100.0	101,939	100.0	100.0	100.0	
Source: 2022-2024 FFIEC; 2020 U.S. Census Note: Percentages may not total 100.0 percent due to rounding.								

There were no low-income census tracts in this assessment area.

In 2024, the bank's lending performance was slightly below the percentage of owner-occupied housing units located in moderate-income census tracts, slightly below the aggregate by number, and slightly above the aggregate by dollar amount. In 2023, the bank's lending performance was slightly below the percentage of owner-occupied housing units located in moderate-income census tracts and slightly below the aggregate by number and dollar amount. In 2022, the bank's lending performance was similar to the percentage of owner-occupied housing units located in moderate-income census tracts, similar to the aggregate by number, and below the aggregate by dollar amount. As a result, performance within moderate-income census tracts was adequate.

Small Business Loans

The geographic distribution of small business loans reflected adequate penetration throughout the assessment area.

Geographic Distribution of Small Business Loans							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000's)	\$%	\$%	
Moderate							
2024	7	10.9	9.1	801	8.5	9.9	9.8
2023	5	6.9	9.7	681	6.2	8.1	9.7
2022	6	7.0	9.1	1,906	10.3	7.1	9.8
Middle							
2024	40	62.5	61.6	5,116	54.5	63.7	63.2
2023	52	72.2	61.9	7,252	66.4	60.5	63.5
2022	54	62.8	62.6	10,445	56.6	67.8	63.7
Upper							
2024	17	26.6	29.2	3,473	37.0	26.4	26.9
2023	15	20.8	28.4	2,986	27.3	31.4	26.7
2022	26	30.2	28.3	6,106	33.1	25.1	26.4
Unknown							
2024	0	0	0	0	0	0	0.1
2023	0	0	0	0	0	0	0.1
2022	0	0	0	0	0	0	0.1
Totals							
2024	64	100.0	100.0	9,390	100.0	100.0	100.0
2023	72	100.0	100.0	10,919	100.0	100.0	100.0
2022	86	100.0	100.0	18,457	100.0	100.0	100.0
Source: 2022-2024 FFIEC; 2022-2024 D&B; 2020 U.S. Census: ACS							
Note: Percentages may not total 100.0 percent due to rounding.							

In 2024, the bank's lending performance was slightly above the percentage of businesses located in moderate-income census tracts, above the aggregate by number, and below the aggregate by dollar amount. In 2023, the bank's lending performance was below the percent of businesses located in moderate-income census tracts and below the aggregate by number and dollar amount. In 2022, the bank's lending performance was below the percent of businesses located in moderate-income census tracts, below the aggregate by number, and was above the aggregate by dollar amount. As a result, performance within moderate-income census tracts was adequate.

Borrower Profile

The borrower distribution of loans reflected, given the product lines offered, adequate penetration among customers of different income levels and businesses of different sizes. Home mortgage lending to LMI borrowers and businesses with GAR of \$1.0 million or less was adequate. Given the community contact observations that the local economy is stable but affordable housing remains an underserved need, examiners gave more weight to home mortgage loans than small business loans in the borrower distribution analysis.

Home Mortgage Loans

The borrower distribution of home mortgage loans reflected adequate penetration throughout the assessment area. Examiners placed greater weight on the aggregate performance, since the aggregate was a better indicator of demand. Additionally, considering the difficulty in home mortgage lending to low-income borrowers, examiners placed greater emphasis on the bank's home mortgage loan performance to low-income borrowers.

Borrower Distribution of Home Mortgage Loans							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000's)	\$%	\$%	
Low							
2024	2	2.5	6.8	402	1.0	2.9	17.7
2023	7	8.6	7.5	1,282	5.1	3.2	17.7
2022	7	7.1	7.7	1,430	4.3	4.0	17.7
Moderate							
2024	8	10.0	19.5	2,441	6.3	13.0	17.4
2023	13	16.0	20.3	2,096	8.4	13.6	17.4
2022	13	13.1	20.3	2,235	6.7	14.9	17.4
Middle							
2024	18	22.5	23.9	5,076	13.2	20.0	22.5
2023	11	13.6	23.9	1,861	7.4	20.7	22.5
2022	18	18.2	26.9	5,758	17.3	23.9	22.5
Upper							
2024	41	51.3	39.4	24,675	64.0	53.1	42.3
2023	43	53.1	40.4	18,410	73.5	53.5	42.3
2022	42	42.4	37.5	18,332	55.0	49.3	42.3
Unknown							
2024	11	13.8	10.4	5,945	15.4	11.0	0
2023	7	8.6	7.9	1,409	5.6	9.1	0
2022	19	19.2	7.5	5,589	16.8	7.9	0
Totals							
2024	80	100.0	100.0	38,539	100.0	100.0	100.0
2023	81	100.0	100.0	25,058	100.0	100.0	100.0
2022	99	100.0	100.0	33,344	100.0	100.0	100.0
Source: 2022-2024 FFIEC; 2020 U.S. Census; Multifamily loans are not included in the borrower distribution analysis Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.							

In 2024, the bank's lending performance was significantly below the percentage of low-income families and below the aggregate by number and dollar amount. In 2023, the bank's lending performance was significantly below the percent of low-income families and slightly above the aggregate by number and dollar amount. In 2022, the bank's lending performance was significantly below the percent of low-income families, and similar to the aggregate by number and dollar amount.

In 2024, the bank's lending performance was significantly below the percentage of moderate-income families and significantly below the aggregate by number and dollar amount. In 2023, the bank's lending performance was slightly below the percentage of moderate-income families and below the aggregate by number and dollar amount. In 2022, the bank's lending performance was below the percent of moderate-income families and significantly below the aggregate by number and dollar amount.

The lower performance in 2024 is partially attributable to high mortgage interest rates and rising home prices, which made it harder for LMI borrowers to afford a loan to buy a home. Given the increased difficulty of serving this segment and the persistent affordability challenges in the market, performance was adequate.

Small Business Loans

The borrower distribution of small business loans reflected adequate penetration throughout the assessment area. Although comparison to demographics was made, examiners placed greater weight on comparison to the aggregate performance, since the aggregate was a better indicator of demand.

Borrower Distribution of Small Business Loans							
Borrower Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000's)	\$%	\$%	
\$1.0 Million or Less							
2024	22	34.4	53.7	1,930	20.6	30.1	92.4
2023	23	31.9	54.5	3,354	30.7	35.2	92.5
2022	44	51.2	50.1	7,794	42.2	35.5	92.3
Over \$1.0 Million							
2024	34	53.1		6,603	70.3		6.0
2023	44	61.1		7,005	64.2		6.0
2022	40	46.5		10,637	57.6		6.3
Revenue Unknown							
2024	8	12.5		857	9.1		1.5
2023	5	6.9		560	5.1		1.4
2022	2	2.3		26	0.1		1.5
Totals							
2024	64	100.0		9,390	100.0		100.0
2023	72	100.0		10,919	100.0		100.0
2022	86	100.0		18,457	100.0		100.0
Source: 2022-2024 FFIEC Census; 2022-2024 D&B; 2020 U.S. Census: ACS							
Note: Percentages may not total 100.0 percent due to rounding.							

In 2024, the bank's lending performance was significantly below the percent of businesses with GAR of \$1.0 million or less and below the aggregate by number and dollar amount. In 2023, the bank's lending performance was significantly below the percent of businesses with a GAR of \$1.0 million or less and below the aggregate by number and dollar amount. However, in 2022, the bank's lending performance was significantly below the percent of businesses in this assessment area with GAR of \$1.0 million or less, slightly above the aggregate by number, and above the aggregate by dollar amount.

Loan sizes of \$100,000 or less, showed a positive trend, increasing from 54.5% in 2022 to 68.2% in 2023 and 77.3% in 2024. These loans are typically considered more responsive to the credit needs of very small businesses. While overall lending to businesses with GAR of \$1.0 million or less declined during the period, the bank maintained a strong focus on small-dollar loans to these borrowers.

Responsiveness to Credit Needs of Highly Economically Disadvantaged Geographies and to Low-Income Persons and Small Businesses

The bank exhibited an adequate record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices. To address affordable housing, which was recognized as a key community need, the bank introduced an adjustable-rate mortgage (ARM) first-time homebuyer product in April 2024; however, no applications were received during the evaluation period.

Community Development Lending Activities

ATC is a leader in making community development loans. Community development lending totaled 19 loans for \$28.2 million. This lending level represented an annualized performance over 27 months of \$12.5 million. Compared to the previous evaluation, when the bank had an annualized performance of \$7.2 million, this represented an increase by dollar volume of 75.4%. Additionally, the annualized number of community development loans increased by 97.9% from approximately 4 loans to 8 loans.

Examiners also considered ATC's annualized community development loans relative to its deposits and average assets and compared the bank's performance to 3 similarly-situated peer institutions operating within the bank's assessment area. ATC's performance ranked second in its use of assets for community development lending and second in community development lending relative to deposits within the assessment area.

The table below illustrates the bank's community development loan activity by year and purpose, which included a focus on economic development and community services, a primary credit need in the assessment area.

Community Development Lending										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
2022	1	480	1	62	0	0	0	0	2	542
2023	2	835	3	50	5	18,777	1	424	11	20,086
2024	1	225	3	636	1	6,311	1	424	6	7,596
Total	4	1,540	7	748	6	25,088	2	848	19	28,224

Source: Bank data, October 1, 2022 to December 31, 2024

Below are examples of the bank's community development loans within the assessment area.

- In 2022, the bank made a \$62,000 loan to a non-profit organization to fund upfront construction costs for repairing a shelter, which served homeless women and children, until reimbursed through the New York State (NYS) Homeless Housing and Assistance Program. With this loan, the bank helped to support community service needs of the assessment area.
- In 2023, the bank made a \$250,000 loan to purchase a multifamily rental property to provide affordable housing for LMI individuals and families. All 6 units were below fair market rent, and the property is in a moderate-income tract. With this loan, the bank helped to support affordable housing.
- In 2024, the bank made a \$600,000 loan to a non-profit health care facility that primarily serves LMI individuals to cover payroll costs for 60 days until grant funds are received from the NYS Department of Health. With this loan, the bank helped to support community service needs of the assessment area.

Innovative and/or Flexible Lending Practices

The bank made limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs. In April 2024, the bank introduced a 10/1 ARM First-Time Homebuyer loan, a product designed to support affordable housing. The loan offered 3.0% down payment, which may be gifted, up to 3.0% in seller-paid closing costs, and a fixed principal and interest payment for the first 10 years on a 30-year amortization schedule. This product was available to borrowers whose income was at or below the area median income level, based on the census tract of the subject property. However, the bank did not originate any loans under

this program during the evaluation period.

INVESTMENT TEST

ATC's performance under the Investment Test was adequate in this assessment area.

Investment and Grant Activity

ATC had an adequate level of qualified community development investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank reported 73 qualified investments and grants totaling \$6.5 million, including 1 new investment for \$5.0 million, 2 prior period investments with a current balance of \$1.4 million, and 70 grants totaling \$171,000. Overall, this represented an annualized performance over 27 months of \$2.9 million. Compared to the previous evaluation, when the bank had an annualized performance of \$953,000 by dollar volume increased by 204.2%. Although there was a significant increase in performance by dollar volume, it was primarily driven by the large mortgage-backed security investment made within the assessment area in 2022, which is an investment routinely provided by other private investors. Additionally, the annualized number of community development investments and grants decreased by 59.7% from approximately 81 investments and grants to approximately 32 investments and grants.

Examiners also considered ATC's annualized qualified investments and grants to deposits and to average assets. This performance was compared to three similarly-situated peer banks. ATC's performance ranked second overall among its peers, although its rank declined slightly when considering only new investments.

The table below illustrates the bank's community development investment and grant activity by year and purpose.

Qualified Investments and Grants										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Prior Period	1	1,288	0	0	0	0	1	63	2	1,351
2022	1	5,000	0	0	0	0	0	0	1	5,000
2023	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0
Total Investments	2	6,288	0	0	0	0	1	63	3	6,351
Total Grants	3	28	59	124	5	10	3	9	70	171
Grand Total	5	6,316	59	124	5	10	4	72	73	6,522

Source: Bank data, October 1, 2022 to December 31, 2024

Below are examples of the bank's qualified investments and grants within the assessment area.

- In 2022, ATC invested \$5.0 million in a Fannie Mae mortgage-backed security secured by a multifamily property within the assessment area. The majority of the units are reserved for families who earn below 60% of the area median income, supporting affordable housing for LMI individuals.
- In 2023, the bank donated \$20,000 to a non-profit organization that focuses on providing affordable

housing to LMI individuals, including those experiencing homelessness, mental illness, or substance abuse disorder in the assessment area.

Responsiveness to Credit and Community Development Needs

The bank exhibited adequate responsiveness to credit and community economic development needs. While the volume of new qualified investment opportunities was somewhat limited during the evaluation period, the bank deployed resources towards key community priorities such as affordable housing and community services with its grant activity.

Community Development Initiatives

The bank rarely used innovative and/or complex investments to support community development initiatives. During the evaluation period, the only new investment was a mortgage-backed security, which was not considered to be particularly innovative or complex.

SERVICE TEST

ATC's performance under the Services Test was adequate in this assessment area.

Retail Services

Accessibility of Delivery Systems

Delivery systems were reasonably accessible to essentially all portions of the bank's assessment area. ATC operated 10 full-service branches and 23 ATMs in this assessment area, none of which are located in moderate-income census tracts. This assessment area did not contain any low-income geographies, and the number of moderate-income geographies increased from five to eight since the prior evaluation due to updated census tract designations. Although no branches or ATMs were located directly in moderate-income tracts, three branches and five ATMs are adjacent to such areas, bordering moderate-income tracts and approximately a five-minute drive.

Branch and ATM Distribution by Tract Income Level								
Tract Income Level	Census Tracts		Households		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0	0	0	0	0	0	0
Moderate	8	19.5	8,469	13.7	0	0	0	0
Middle	22	53.7	38,409	62.2	7	70.0	15	65.2
Upper	10	24.4	14,853	24.1	3	30.0	8	34.8
Unknown	1	2.4	3	2.4	0	0	0	0
Total	41	100.0	61,734	100.0	10	100.0	23	100.0

Source: 2020 US Census Data; Bank data as of December 31, 2024

The Church Street and Exit 15 Branch locations have two full-service ATMs each, and the remaining eight branches each have one full-service ATM. The bank operated two stand-alone full-service ATMs at Marion Ave and Skidmore College, and nine stand-alone cash only ATMs. While none of the branches or ATMs are located in moderate-income census tracts, three branches are adjacent to moderate-income census tracts and all are equipped with a full-service ATM. Therefore, of the 10 branches and 23 total ATMs, 3 branches (30.0%) and 5 ATMs (21.7%), including 2 standalone cash-only ATMs, are reasonably positioned to serve moderate-

income census tracts, contributing to accessibility of the bank's services.

In addition to physical access to branches and ATMs, the bank offered other alternative delivery systems in its assessment area that improved accessibility for its products and services for all geographies, including moderate-income areas. These delivery systems included a 24/7 automated telephone banking service for account management and online banking and mobile banking through WebWise with bill pay and mobile check deposit features.

Changes in Branch Locations

The bank's opening and closing of branches did generally not adversely affect the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. While the bank consolidated one branch located in an upper-income census tract which was adjacent to a moderate-income census tract, it continued to maintain two other branches adjacent to the same moderate-income census tract, mitigating any potential impact on accessibility.

Reasonableness of Business Hours and Services

Services including business hours did not vary in a way that inconvenienced certain portions of the assessment area, particularly LMI geographies and/or individuals. The bank's loan and deposit products were the same throughout this assessment area. Business hours and services noted below:

- Seven out of 10 branches (70.0%) are open on Saturdays, offering both lobby and drive-through service. Church Street and Wilton branches operate on a modified schedule, opening at 11:00 AM, with evening hours extending to 6:00 PM.
- Nine out of 10 branches (90.0%) are equipped with drive-thrus, most of which are open earlier and close later than the lobby hours, increasing flexibility for routine transactions. The Main Office and South Broadway branches provide the most extended weekday access, with drive-thrus opening as early as 7:30 AM and closing as late as 6:00 PM.
- Although the Prestwich Chase location is open only on Tuesdays and Thursdays from 10:00 AM to 12:30 PM, it is situated in a retirement community.

Additionally, in addition to the First-Time Homebuyer Program noted previously, the bank maintained products that help to lower costs for consumers, including:

- **BankOn Checking:** Certified by the Cities for Financial Empowerment Fund (CFE Fund): This account meets national standards for safe, affordable banking access to LMI individuals. It has no minimum balance requirement, no overdraft fees, and declines transactions that would overdraw the account, helping to reduce costly penalties. The CFE Fund's BankOn Checking certification ensures the account supports financial inclusion for underbanked populations.
- **Basic Banking:** This checking account requires no minimum balance and offers low fees designed to accommodate consumers seeking affordable banking. It includes access to online and mobile banking and debit cards.
- **Dynamic Deposit Sweep Service:** An optional overdraft protection feature that automatically transfers funds from a linked savings account to a checking account when needed, helping consumers avoid overdraft fees and maintain account stability.

Community Development Services

ATC provided a relatively high level of community development services. The bank provided 91 community development services, primarily addressing community service needs. This represented an annualized performance over 27 months of approximately 40 community development services. While this represented a 19.3% decrease compared to the previous evaluation's annualized performance of approximately 50 community development services, ATC's annualized qualified services ranked better than three similarly-situated peers. Additionally, services were targeted towards affordable housing and community services, which were responsive to the community needs identified by community contacts.

The table below illustrates the bank's community development services by year and purpose.

Community Development Services					
Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	5	19	4	2	30
2023	6	18	4	2	30
2024	5	20	4	2	31
Total	16	57	12	6	91
<i>Source: Bank data, October 1, 2022 to December 31, 2024</i>					

Below are examples of the bank's community development services within the assessment area.

- From 2022 to 2024, a bank Board member served on the Board of Directors and Finance and Development Committees of a non-profit organization supporting LMI individuals and families. Services included a food pantry, free clothing, enhancing access to affordable housing, and youth programs within the bank's assessment area.
- From 2022 to 2024, the bank's Assistant Branch Manager served on the Board of Directors of a non-profit organization dedicated to providing free critical home repairs and home accessibility modifications, to low-income homeowners in Saratoga County.
- In 2023, a bank Board member served as a co-chair of a local task force on homelessness in Saratoga Springs. The task force was formed to recommend a site for a permanent, low-barrier shelter and support center for homeless and LMI individuals within the bank's assessment area.

MSA 24020 (GLENS FALLS, NY) – LIMITED SCOPE REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS

A limited scope review of ATC’s performance in this assessment area was conducted. As of December 31, 2024, ATC operated 3 (23.1%) of its 13 branches and 3 (17.6 %) of its 17 full-service ATMs in this assessment area. According to the June 30, 2024 FDIC Summary of Deposit Report, this assessment area contained \$83.3 million in deposits which accounted for 6.0% of the bank’s total deposits. This assessment area generated approximately 22.1% by number and 24.8% by dollar volume of the bank’s combined total lending activity from January 1, 2022 to December 31, 2024.

This assessment area consisted of a portion of Warren County within MSA 24020 (Glens Falls, NY). The county is mountainous in the northeastern part of NYS within the Adirondack Mountains. The principal city in the assessment area is Glens Falls.

Key demographics for this assessment area are listed on the chart below:

Assessment Area Demographics				
Income Tract Category	Tract Distribution		% Owner-Occupied Housing Units by Tract	% Families by Income Level
	#	%		
Low	1	6.3	1.9	16.7
Moderate	1	6.3	3.7	15.4
Middle	8	50.0	49.4	18.9
Upper	6	37.5	45.0	49.0
Total	16	100.0%	100.0%	100.0%
<i>Source: 2024 FFIEC</i>				

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Conclusions regarding performance, which did not impact the overall rating, are as follows:

Assessment Area	Lending Test	Investment Test	Service Test
Warren County	Consistent	Below	Below

ATC’s performance under the Lending Test in this assessment area was consistent with the bank’s overall performance, as the lending activity, geographic distribution, and borrower distribution were adequate. The bank made 10 community development loans totaling \$13.4 million in this assessment area. Please refer to the distribution tables in CRA Appendix B for details regarding the bank’s loan distribution.

ATC’s performance under the Investment Test was below the bank’s overall performance. The bank did not make any new investments within this assessment area but had 1 prior period investments totaling \$330,100 in this assessment area. The bank also made 12 grants and donations totaling \$27,000.

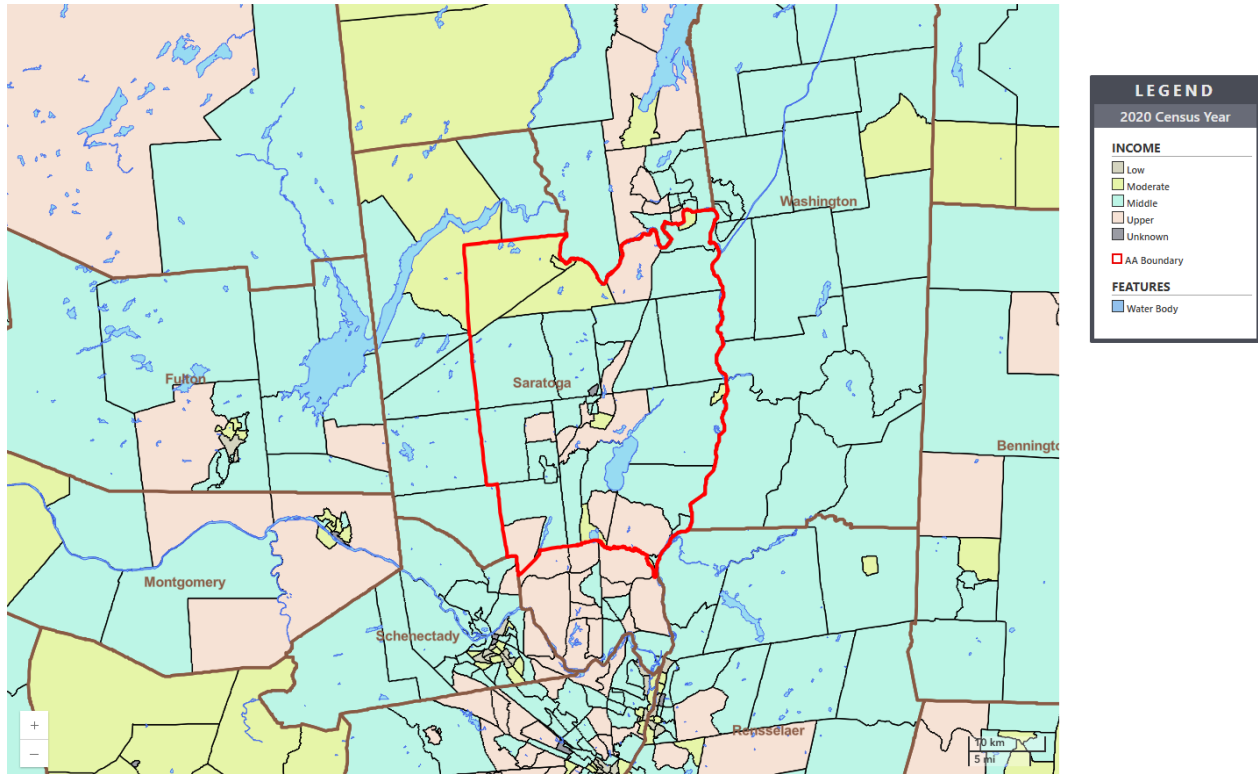
ATC’s performance under the Service Test was below the bank’s overall performance. The bank operated one (33.3%) of its three branches and one (33.3%) of its three ATMs in the assessment area in a moderate-income tract. The bank also had one branch and one full service ATM located adjacent to a low-income census tract. The branch located in a moderate-income census tract was closed on Saturdays and offered limited drive-thru

hours compared to the other two branches in the assessment area. The bank did not have any qualified community development services within this assessment area.

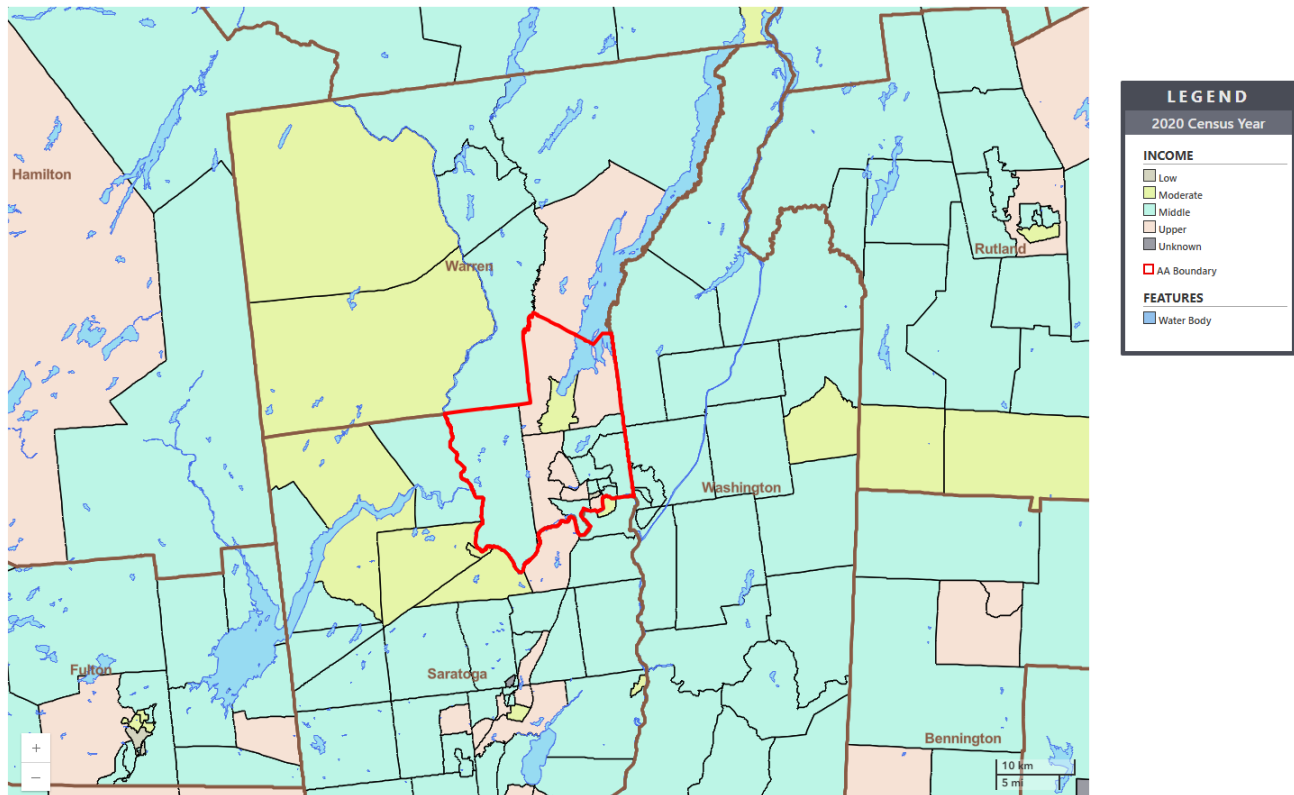
APPENDICES

APPENDIX A –ASSESSMENT AREA MAPS

MSA 10580 (ALBANY-SCHENECTADY-TROY, NY)



MSA 24020 (GLENS FALLS, NY)



APPENDIX B – LOAN DISTRIBUTION REPORTS

GEOGRAPHIC DISTRIBUTION

MSA 24020 (GLENS FALLS, NY)

Home Mortgage Lending

Geographic Distribution of Home Mortgage							
Geographic Income Level	Bank And Aggregate Loans						Owner- Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000's)	%	%	
Low							
2024	3	11.5	2.7	674	8.9	3.5	1.9
2023	1	3.6	2.7	178	2.0	1.7	1.9
2022	2	5.9	2.0	3,505	5.6	1.5	1.9
Moderate							
2024	1	3.8	4.0	204	2.7	5.5	3.7
2023	3	10.7	4.0	1,593	17.7	5.8	3.7
2022	0	0	3.3	0	0	3.6	3.7
Middle							
2024	10	38.5	51.3	2,663	35.3	44.4	49.4
2023	14	50.0	50.5	3,452	38.5	44.4	49.4
2022	19	55.9	48.5	34,471	54.9	60.0	49.4
Upper							
2024	12	46.2	41.9	4,013	53.1	46.5	45.0
2023	10	35.7	42.8	3,754	41.8	48.1	45.0
2022	13	38.2	46.2	24,858	39.6	35.0	45.0
Unknown							
2024	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0
Totals							
2024	26	100.0	100.0	7,554	100.0	100.0	100.0
2023	28	100.0	100.0	8,977	100.0	100.0	100.0
2022	34	100.0	100.0	62,834	100.0	100.0	100.0
Source: 2022-2024 FFIEC; 2020 U.S. Census							
Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Lending

Geographic Distribution of Small Business Loans							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000's)	%	%	
Low							
2024	5	17.2	6.5	930	15.2	11.0	7.2
2023	1	2.3	5.5	30	0.5	7.8	7.0
2022	3	7.0	5.4	110	2.1	3.8	7.1
Moderate							
2024	2	6.9	9.9	400	6.5	10.2	8.2
2023	5	11.6	9.5	803	12.5	12.3	8.9
2022	5	11.6	7.7	530	9.9	8.6	8.9
Middle							
2024	16	55.2	50.6	3,533	57.6	56.9	57.9
2023	28	65.1	53.8	4,149	64.8	58.3	57.2
2022	20	46.5	55.7	3,012	56.3	59.3	57.3
Upper							
2024	6	20.7	33.0	1,275	20.8	21.8	26.7
2023	9	20.9	31.2	1,418	22.2	21.5	26.8
2022	15	34.9	31.2	1,702	31.8	28.2	26.7
Unknown							
2024	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0
Totals							
2024	29	100.0	100.0	6,138	100.0	100.0	100.0
2023	43	100.0	100.0	6,400	100.0	100.0	100.0
2022	43	100.0	100.0	5,354	100.0	100.0	100.0
Source: 2022-2024 FFIEC; 2022-2024 D&B; 2020 U.S. Census: ACS							
Note: Percentages may not total 100.0 percent due to rounding.							

BORROWER PROFILE

MSA 24020 (GLENS FALLS, NY)

Home Mortgage Lending

Borrower Distribution of Home Mortgage								
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %	
	Bank		Agg	Bank		Agg		
	#	#%	#%	\$(000's)	\$%	\$%		
Low								
2024	1	4.0	5.4	15	0.2	2.5	16.7	
2023	2	7.4	5.8	73	1.0	2.7	16.7	
2022	1	4.2	7.4	144	2.5	3.9	16.7	
Moderate								
2024	2	8.0	16.4	399	5.5	10.2	15.4	
2023	0	0	15.0	0	0	10.4	15.4	
2022	2	8.3	18.2	336	5.9	13.3	15.4	
Middle								
2024	3	12.0	24.1	202	2.8	19.7	18.9	
2023	5	18.5	25.8	1,074	14.2	20.3	18.9	
2022	3	12.5	26.1	593	10.4	22.5	18.9	
Upper								
2024	13	52.0	38.0	5,813	80.3	53.8	49.0	
2023	13	48.1	41.5	4,934	65.3	54.5	49.0	
2022	7	29.2	38.5	1,780	31.3	49.5	49.0	
Unknown								
2024	6	24.0	16.1	813	11.2	13.8	0	
2023	7	25.9	11.8	1,471	19.5	12.1	0	
2022	11	45.8	9.7	2,842	49.9	10.8	0	
Totals								
2024	25	100.0	100.0	7,242	100.0	100.0	100.0	
2023	27	100.0	100.0	7,552	100.0	100.0	100.0	
2022	24	100.0	100.0	5,695	100.0	100.0	100.0	
Source: 2022-2024 FFIEC; 2020 U.S. Census; Multifamily loans are not included in the borrower distribution analysis Note: Percentages may not total 100.0 percent due to rounding.								

Small Business Lending

Borrower Distribution of Small Business Loans							
Borrower Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000's)	\$%	\$%	
\$1.0 Million or Less							
2024	15	51.7	51.9	2,221	36.2	30.7	91.5
2023	24	55.8	54.3	3,521	55.0	35.3	91.3
2022	20	46.5	48.5	2,741	51.2	34.9	91.2
Over \$1.0 Million							
2024	14	48.3		3,917	63.8		7.4
2023	19	44.2		2,879	45.0		7.7
2022	22	51.2		2,138	39.9		7.7
Revenue Unknown							
2024	0	0		0	0		1.1
2023	0	0		0	0		1.0
2022	1	2.3		475	8.9		1.0
Totals							
2024	29	100.0		6,138	100.0		100.0
2023	43	100.0		6,400	100.0		100.0
2022	43	100.0		5,354	100.0		100.0
Source: 2022-2024 FFIEC Census; 2022-2024 D&B; 2020 U.S. Census: ACS							

APPENDIX C – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have GAR of \$1.0 million or less; or activities that revitalize or stabilize LMI geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- or moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100.0% tabulations, the count of households always equals the count of occupied housing units.

Housing affordability ratio: The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

Limited scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50.0% of the area median income, or a median family income that is less than 50.0%, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80.0% and less than 120.0% of the area median income, or a median family income that is at least 80.0% and less than 120.0%, in the case of a geography.

Moderate-income: Individual income that is at least 50.0% and less than 80.0% of the area median income, or a median family income that is at least 50.0% and less than 80.0%, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1.0 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for the Call Report. These loans have original amounts of \$500,000.0 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120.0% of the area median income, or a median family income that is more than 120.0%, in the case of a geography.



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF ADIRONDACK TRUST COMPANY

AS OF DECEMBER 31, 2024

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

Note: This Evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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I. - GENERAL INFORMATION

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Adirondack Trust Company (“ATC” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This Evaluation represents the Department’s current assessment and rating of the Bank’s CRA performance based on an evaluation conducted as of December 31, 2024.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent (“GRS”) implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the Evaluation be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the end of this Evaluation.

II. - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated ATC according to the large banking institution's performance criteria pursuant to Sections 76.7, 76.8, 76.9 and 76.10 of the GRS. The evaluation period included calendar years 2022, 2023 and 2024 for lending activities and the period from July 01, 2022 to December 31, 2024 for community development activities. The Department assigned ATC a rating of "2," indicating a "Satisfactory" record of meeting community credit.

This rating is based on the following factors:

A. Lending Test: High Satisfactory

ATC's HMDA-reportable and small business lending activities were adequate considering ATC's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area.

1. Lending Activity:

ATC's lending levels were adequate considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

ATC's average loan to deposit ("LTD") ratio for the evaluation period was 62.8%, well below the peer group's ratio of 80.3%. The Bank's quarterly average LTD ratios were also below its peer group's ratios throughout the evaluation period. The Bank's lower LTD ratio is partly attributable to its strategy of selling a portion of its HMDA reportable loans in the secondary market.

2. Assessment Area Concentration:

During the evaluation period, ATC originated 78.3% by number and 78.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a good concentration of lending.

3. Geographic Distribution of Loans:

ATC's origination of loans in census tracts of varying income levels demonstrated an adequate distribution of lending.

ATC's average HMDA reportable lending rates in LMI tracts, 10.2% by number and 7.4% by dollar value, were comparable to the aggregate rates of 10.1% and 9.9%, respectively. The Bank's average small business lending rates during the evaluation period were 11.6% by number and 10.9% by dollar value, which slightly outperformed aggregate lending rates of 10.5% and 10.3%, respectively.

4. Distribution by Borrower Characteristics:

ATC's HMDA-reportable and small business lending demonstrated an adequate distribution of loans among individuals of different income levels and businesses of different revenue sizes.

ATC's average HMDA-reportable lending rates to LMI borrowers, 21.8% by number and 11.0% by dollar value, were below the aggregate lending rates of 28.5% and 18.5%, respectively. The Bank's average small business lending rates during the evaluation period were 43.9% by number and 38.1% by dollar value, the former being below the aggregate lending rate of 53.0% and the latter slightly higher than the aggregate rate of 35.8%.

5. Community Development Lending:

During the evaluation period, ATC originated \$43.6 million in new community development loans and had \$30.9 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

B. Investment Test: Low Satisfactory

1. Qualified Investments

During the evaluation period, ATC made \$5.0 million in new qualified investments and had \$2.7 million outstanding from prior evaluation periods. In addition, ATC made \$143,742 in qualified grants. This demonstrated an adequate level of qualified investments and grants over the course of the evaluation period.

2. Innovativeness of Qualified Investments:

ATC made no use of innovative investments to support community development.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

ATC's qualified investments exhibited adequate responsiveness to the assessment area's credit and community development needs.

C. Service Test: Low Satisfactory

1. Retail Banking Services:

ATC has an adequate branch network, delivery systems, branch hours and services, and alternative delivery systems, including as they relate to LMI individuals.

2. Community Development Services:

ATC provided a relatively limited level of community development services. The Bank's directors, officers and other Bank personnel did, however, serve in various capacities as Board members of various community development organizations.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and GRS Part 76.

III. - PERFORMANCE CONTEXT

A. Institution Profile

ATC is a New York State chartered commercial bank established in 1901 and headquartered in Saratoga Springs, NY. ATC maintains three subsidiaries: Adirondack Trust Company Financial Services, Inc., an insurance agency that offers insurance products to consumers and businesses as AMSURE; Adirondack R.E.I.T., Inc., which holds investments in residential and commercial mortgages in repayment; and 2961 Route 9, LLC, which holds real estate that the Bank has acquired through foreclosure, often called “Other Real Estate Owned”.

ATC operates 13 full-service banking offices with ten banking offices in Saratoga County and three in Warren County. One out of the 13 banking offices is in an LMI census tract. One banking office located in a middle-income census tract of Saratoga Springs closed during the evaluation period. The banking offices are supplemented with an automated teller machine (“ATM”) network consisting of 25 ATMs; 12 banking offices have at least one ATM, one branch has two ATMs, and 11 are off-site standalone ATMs located throughout the Bank’s assessment area. One of the offsite ATMs is private and not accessible to the public and only two of the offsite ATMs are deposit taking. None of the offsite ATMs are in LMI census tracts.

ATC mainly offers traditional personal and business banking products and services. Deposit services offered include traditional savings accounts, several checking accounts, money market accounts, certificates of deposit, health savings accounts, and individual retirement accounts. Credit services offered include residential loans, construction loans, and various commercial loans that may include term loans and lines of credit. ATC also serves retail and business customers via online and mobile banking platforms.

In its Consolidated Report of Condition (the “Call Report”) as of December 31, 2024 filed with the Federal Deposit Insurance Corporation (“FDIC”), ATC reported total assets of \$1.7 billion, of which \$974.7 million were net loans and lease financing receivables. It also reported total deposits of \$1.5 billion resulting in an LTD ratio of 64.1% as of December 31, 2024. According to the latest available comparative deposit data as of June 30, 2024, ATC obtained a market share of 14.2%, or \$1.4 billion in a market of \$9.8 billion, ranking it second among 18 deposit-taking institutions in the assessment area.

The following is a summary of the Bank’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2022, 2023 and 2024 Call Reports:

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TOTAL GROSS LOANS OUTSTANDING						
Loan Type	12/31/2022		12/31/2023		12/31/2024	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	239,805	26.6	252,755	26.6	283,622	28.5
Commercial & Industrial Loans	90,007	10.0	78,081	8.2	75,452	7.6
Commercial Mortgage Loans	383,704	42.5	441,740	46.6	456,019	45.8
Multifamily Mortgages	101,202	11.2	103,435	10.9	127,051	12.8
Consumer Loans	15,855	1.8	15,081	1.6	14,236	1.4
Agricultural Loans	0	0.0	0	0.0	0	0.0
Construction Loans	61,330	6.8	50,448	5.3	33,963	3.4
Obligations of States & Municipalities	2,125	0.2	1,202	0.1	324	0.0
Loans to Non-depository Institutions	4,472	0.5	4,033	0.4	3,577	0.4
Other Loans	4,699	0.5	1,682	0.2	1,909	0.2
Lease financing	0	0.0	0	0.0	0	0.0
Total Gross Loans	903,199		948,457		996,153	

As illustrated in the above table, ATC is primarily a commercial lender, with 53.4% of its gross loan portfolio in commercial mortgage loans and commercial & industrial loans combined as of year-end 2024. One-to-four family residential mortgage loans and multifamily mortgages for year-end 2024 represent 28.5% and 12.8% of total gross loans, respectively. Construction loans have declined by almost half from 2022 to 2024.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on ATC's ability to meet the credit needs of its community.

B. Assessment Area

The Bank's assessment area consists of northern Saratoga County and southern Warren County and remains unchanged from the prior evaluation period.

There are 57 census tracts in the Bank's assessment area, with one low-income, nine moderate-income, 30 middle-income, 16 upper-income tracts, and one tract with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Saratoga*	1	0	8	22	10	41	19.5
Warren*	0	1	1	8	6	16	12.5
Total	1	1	9	30	16	57	17.5

* Partial county

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C. Demographic & Economic Data

The assessment area had a population of 200,136 during the evaluation period. Approximately 18.4% of the population were over the age of 65 and 19.0% were under the age of 16.

Of the 52,057 families in the assessment area 17.5% were low-income, 16.9% were moderate-income, 21.6% were middle-income and 44.0% were upper income. There were 83,550 households in the assessment area, of which 7.8% had income below the poverty level and 1.8% were on public assistance.

The weighted average median family income in the assessment area was \$99,224.

There were 93,570 housing units within the assessment area, of which 79.8% were one-to-four family units and 13.4% were multifamily units. A majority (61.6%) of the housing units were owner-occupied, while 27.7% were rental-occupied units.

Of the 57,614 owner-occupied housing units, 10.0% were in LMI census tracts while 90.0% were in middle- and upper-income census tracts. The median age of the housing stock was 48 years, and the median home value in the assessment area was \$265,111.

There were 24,041 non-farm businesses in the assessment area. Of these, 90.1% were businesses with reported revenues of less than or equal to \$1 million, 2.6% reported revenues of more than \$1 million and 7.3% did not report their revenues. Of all the businesses in the assessment area, 98.1% were businesses with less than fifty employees while 93% operated from a single location. The largest industries in the area were services (34.7%), retail trade (11.1%) and finance, insurance & real estate (9.7%); 26.5% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State, Saratoga County, and Warren County remained stable during the evaluation period. Both Saratoga and Warren counties had lower unemployment rates than the statewide average during the entire evaluation period.

Assessment Area Unemployment Rate			
	Statewide	Saratoga	Warren
2022	4.3%	2.7%	3.5%
2023	4.1%	2.7%	3.5%
2024	4.3%	2.9%	3.7%
Average of Years above	4.2%	2.8%	3.6%

D. Community Information

DFS examiners interviewed representatives of two non-profit organizations that are active in ATC's assessment area. The information obtained from these interviews helps to determine whether local financial institutions are responsive to the credit and community development needs of the communities they serve and economic concerns within the assessment area.

The first representative was an executive of a non-profit organization in Warren County that provides warm meals, essential clothing and winter shelter services to low-income individuals in the community. In addition, it also offers case management services and provides school supplies to school-going youths. The representative stated that many of the service recipients cannot afford housing and there is a significant increase in homelessness, especially during and after the COVID-19 pandemic. The representative stated that there is a need for affordable housing that local banks can address by providing more loans for affordable housing projects. In addition, the representative stated that because of low population density and lack of large businesses, small businesses are more prevalent and therefore, banks should offer more small dollar loans and technical assistance to local small business owners.

DFS examiners also interviewed an executive of another non-profit organization in Saratoga County that strives to alleviate poverty at the local level through several food programs, family services, Head Start programs, energy services, immigration services, and the Women, Infants, and Children program. They also provide case management services to low-income families and individuals in the community. The representative stated that many of their clients do not have bank accounts due to high product fees for checking and overdrafts and often lack sufficient savings to satisfy minimum balance requirements to avoid fees. Some of them do not have credit cards due to lack of trust in banks and use alternative banking methods such as check cashers. Hence, there is a great need for financial literacy. The representative stressed that local banks should offer more relevant tailored education programs around financial literacy, budgeting, and home ownership to the low-income population.

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IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated ATC under the large banking institutions performance criteria in accordance with Sections 76.7, 76.8, 76.9 and 76.10 of the GRS, which consist of the lending, investment and service tests. DFS also considered the following factors in assessing the Bank's record of performance:

1. The extent of participation by the Board of Directors or Board of Trustees in formulating CRA policies and reviewing CRA performance;
2. Any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit-related programs.

Finally, the Evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which ATC helps to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. ATC submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and DFS used this information even where the institution's assessment area includes partial counties.

The evaluation period included calendar years 2022, 2023 and 2024 for lending activities and the period from July 1, 2022 to December 31, 2024 for community development activities.

Examiners considered ATC's HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) of the lending test noted below.

HMDA-reportable and small business loan data evaluated in this Evaluation represented actual originations.

In its prior Community Reinvestment Act Performance Evaluation as of June 20, 2022, DFS assigned ATC a rating of "2" or "Satisfactory".

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Current CRA Rating: Satisfactory

A. Lending Test: High Satisfactory

The Bank's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity;

(2) Assessment Area Concentration;

(3) Geographic Distribution of Loans;

(4) Borrower Characteristics;

(5) Community Development Lending; and

(6) Flexible and/or Innovative Lending Practices.

ATC's HMDA-reportable and small business lending activities were adequate considering ATC's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area. ATC's level of community development lending was excellent, especially for economic development purposes.

1. Lending Activity:

ATC's lending levels were adequate considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

ATC's average LTD ratio for the evaluation period was 62.8%, which was well below the peer group average of 80.3% and slightly below the prior evaluation average LTD ratio of 65.2%. While the Bank ranked among the top 10 lenders for both HMDA-reportable and small business loans in the 2023 peer market share reports, its lower LTD ratio is partly attributable to the Bank's strategy of selling a portion of its HMDA-reportable loans in the secondary market.

The table below shows the Bank's LTD ratios in comparison with the peer group's ratios for the 12 quarters of this evaluation period.

Loan-to-Deposit Ratios													
	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Avg.
Bank	53.6	54.4	59.5	59.4	63.5	63.9	65.9	67.0	66.0	68.4	67.3	64.1	62.8
Peer	71.4	74.5	76.8	79.3	79.8	81.9	82.0	83.4	83.0	84.5	83.6	83.3	80.3

2. Assessment Area Concentration:

During the evaluation period, ATC originated 78.3% by number and 78.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a good concentration of lending.

a.HMDA-Reportable Loans:

During the evaluation period, ATC originated 82.4% by number and 81.4% by dollar value of its

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HMDA-reportable loans within the assessment area.

This substantial majority of lending inside of its assessment area reflects a good concentration of lending. Out of 547 HMDA reportable loans the Bank made during the evaluation period, 451 were inside the assessment area,

b. Small Business Loans:

ATC originated 73.4% by number and 66.2% by dollar value of its small business loans within the assessment area during the evaluation period.

This majority of lending inside of its assessment area reflects an adequate concentration of lending. The Bank made 337 small business loans out of 459 loans within its assessment area for the same period.

The following table shows the percentages of ATC's HMDA-reportable and small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2022	170	79.1%	45	20.9%	215	167,008	86.6%	25,786	13.4%	192,794
2023	140	85.9%	23	14.1%	163	37,575	82.0%	8,226	18.0%	45,801
2024	141	83.4%	28	16.6%	169	52,293	68.0%	24,615	32.0%	76,908
Subtotal	451	82.4%	96	17.6%	547	256,876	81.4%	58,627	18.6%	315,503
Small Business										
2022	129	70.9%	53	29.1%	182	23,811	65.3%	12,680	34.7%	36,491
2023	115	78.2%	32	21.8%	147	17,319	67.7%	8,259	32.3%	25,578
2024	93	71.5%	37	28.5%	130	15,528	66.2%	7,937	33.8%	23,465
Subtotal	337	73.4%	122	26.6%	459	56,658	66.2%	28,876	33.8%	85,534
Grand Total	788	78.3%	218	21.7%	1,006	313,534	78.2%	87,503	21.8%	401,037

* DFS based its analysis of HMDA-reportable /small business lending on actual loans.

3. Geographic Distribution of Loans:

ATC's origination of loans in census tracts of varying income levels demonstrated an adequate distribution of lending.

a. HMDA-Reportable Loans:

The distribution of ATC's HMDA-reportable loans by the income level of the geography was adequate.

During the evaluation period, ATC originated 10.2% by number and 7.4% by dollar value of its HMDA-reportable loans in LMI census tracts, which is comparable to the aggregate rate by number of 10.1% but less than the aggregate rate by dollar value of 9.5%. The Bank's percentages by number of HMDA-reportable loans in LMI census tracts were consistently comparable to the

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demographic rate of LMI owner-occupied housing units of 10.0% in each year of the evaluation period.

The following table provides a summary of the distribution of ATC’s HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2022									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	1.2%	3,505	2.1%	22	0.4%	6,390	0.3%	0.5%
Moderate	14	8.2%	6,482	3.9%	529	9.6%	193,815	10.2%	9.5%
LMI	16	9.4%	9,987	6.0%	551	10.0%	200,205	10.5%	10.0%
Middle	98	57.6%	116,125	69.5%	3,066	55.5%	1,076,540	56.5%	57.9%
Upper	56	32.9%	40,895	24.5%	1,912	34.6%	629,070	33.0%	32.0%
Unknown	0	0.0%	0	0.0%	0	0.0%		0.0%	0.0%
Total	170		167,008		5,529		1,905,815		
2023									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	0.7%	178	0.5%	24	0.6%	3,350	0.4%	0.5%
Moderate	14	10.0%	3,748	10.0%	360	9.6%	76,000	8.3%	9.5%
LMI	15	10.7%	3,926	10.4%	384	10.2%	79,350	8.7%	10.0%
Middle	81	57.9%	20,738	55.2%	2,175	58.0%	505,865	55.4%	57.9%
Upper	44	31.4%	12,912	34.4%	1,194	31.8%	327,680	35.9%	32.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	140		37,576		3,753		912,895		
2024									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	2.8%	744	1.4%	19	0.5%	7,115	0.7%	0.5%
Moderate	11	7.8%	4,382	8.4%	341	9.5%	74,755	7.7%	9.5%
LMI	15	10.6%	5,126	9.8%	360	10.1%	81,870	8.5%	10.0%
Middle	69	48.9%	27,065	51.8%	2,005	56.1%	547,675	56.6%	57.9%
Upper	57	40.4%	20,103	38.4%	1,211	33.9%	338,345	35.0%	32.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	141		52,293		3,576		967,890		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	7	1.6%	4,427	1.7%	65	0.5%	16,855	0.4%	
Moderate	39	8.6%	14,613	5.7%	1,230	9.6%	344,570	9.1%	
LMI	46	10.2%	19,039	7.4%	1,295	10.1%	361,425	9.5%	
Middle	248	55.0%	163,928	63.8%	7,246	56.4%	2,130,080	56.3%	
Upper	157	34.8%	73,909	28.8%	4,317	33.6%	1,295,095	34.2%	
Unknown	-	0.0%	-	0.0%	-	0.0%	-	0.0%	
Total	451		256,877		12,858		3,786,600		

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b. Small Business Loans:

The distribution of ATC’s small business loans among census tracts of varying income levels was good.

During the evaluation period, ATC originated 11.6% by number and 10.9% by dollar value of its small business loans in LMI areas, outperforming the aggregate rates of 9.8% and 10.3%, respectively. The Bank’s percentage of small business loans originated in LMI geographies was comparable to the percentage of businesses located in such geographies in 2022, trailed that percentage rate in 2023, and outperformed that percentage rate in 2024.

The following table provides a summary of the distribution of ATC’s small business loans by the income level of the geography where the business was located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2022									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	2.3%	110	0.5%	69	1.5%	1,848	1.1%	1.9%
Moderate	11	8.5%	2,436	10.2%	387	8.5%	12,539	7.7%	9.1%
LMI	14	10.9%	2,546	10.7%	456	10.0%	14,387	8.8%	11.1%
Middle	74	57.4%	13,457	56.5%	2,760	60.6%	105,592	64.9%	60.6%
Upper	41	31.8%	7,808	32.8%	1,337	29.4%	42,792	26.3%	28.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.1%
Total	129		23,811		4,553		162,771		
2023									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	0.9%	30	0.2%	62	1.5%	3,435	2.6%	1.8%
Moderate	10	8.7%	1,484	8.6%	400	9.6%	12,743	9.6%	9.1%
LMI	11	9.6%	1,514	8.7%	462	11.1%	16,178	12.1%	11.0%
Middle	80	69.6%	11,401	65.8%	2,477	59.5%	79,561	59.7%	60.3%
Upper	24	20.9%	4,404	25.4%	1,225	29.4%	37,512	28.2%	28.7%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	115		17,319		4,164		133,251		
2024									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	5.4%	930	6.0%	85	1.2%	4,978	2.5%	1.8%
Moderate	9	9.7%	1,201	7.7%	544	7.7%	15,641	7.7%	9.1%
LMI	14	15.1%	2,131	13.7%	629	8.9%	20,619	10.2%	10.9%
Middle	56	60.2%	8,649	55.7%	3,788	53.4%	113,105	55.7%	60.3%
Upper	23	24.7%	4,748	30.6%	2,675	37.7%	69,300	34.1%	28.7%
Unknown	0	0.0%	0	0.0%	1	0.0%	9	0.0%	0.0%
Total	93		15,528		7,093		203,033		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	9	2.7%	1,070	1.9%	216	1.4%	10,261	2.1%	
Moderate	30	8.9%	5,121	9.0%	1,331	8.4%	40,923	8.2%	
LMI	39	11.6%	6,191	10.9%	1,547	9.8%	51,184	10.3%	
Middle	210	62.3%	33,507	59.1%	9,025	57.1%	298,258	59.8%	
Upper	88	26.1%	16,960	29.9%	5,237	33.1%	149,604	30.0%	
Unknown	-	0.0%	-	0.0%	1	0.0%	9	0.0%	
Total	337		56,658		15,810		499,055		

4. Distribution by Borrower Characteristics:

ATC’s one-to-four family HMDA-reportable and small business lending demonstrated an adequate distribution of loans among individuals of different income levels and businesses of

different revenue sizes.

a. One-to-four Family HMDA-Reportable Loans:

ATC's one-to-four family HMDA-reportable lending demonstrated an adequate distribution of loans among individuals of different income levels.

During the evaluation period, ATC originated 21.8% by number and 11.0% by dollar value of its one-to-four family HMDA-reportable loans to low and medium-income borrowers, which is lower than the aggregate rates of 28.3% and 17.9%, respectively. The Bank's lending rates in LMI census tracts were consistently below the demographic rate of LMI owner-occupied housing units of 34.4% in each year of the evaluation period.

The following table provides a summary of the distribution of ATC's one-to-four family loans by borrower income.

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Distribution of One-to-Four Family Loans by Borrower Income									
2022									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	14	9.8%	2,254	5.5%	439	8.1%	53,825	4.2%	17.5%
Moderate	16	11.2%	2,771	6.7%	1,121	20.6%	191,855	15.0%	16.9%
LMI	30	21.0%	5,025	12.2%	1,560	28.7%	245,680	19.2%	34.4%
Middle	26	18.2%	6,762	16.4%	1,537	28.3%	318,005	24.9%	21.6%
Upper	57	39.9%	21,457	52.0%	2,191	40.3%	676,205	52.9%	44.0%
Unknown	30	21.0%	8,030	19.5%	144	2.7%	38,610	3.0%	
Total	143		41,274		5,432		1,278,500		
2023									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	13	9.7%	1,520	4.4%	284	7.6%	29,450	3.4%	17.5%
Moderate	17	12.7%	2,237	6.5%	768	20.6%	121,770	14.0%	16.9%
LMI	30	22.4%	3,757	10.8%	1,052	28.2%	151,220	17.4%	34.4%
Middle	22	16.4%	3,357	9.7%	958	25.7%	191,600	22.0%	21.6%
Upper	68	50.7%	24,641	71.1%	1,609	43.1%	504,445	57.9%	44.0%
Unknown	14	10.4%	2,880	8.3%	110	2.9%	23,450	2.7%	
Total	134		34,635		3,729		870,715		
2024									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	12	8.9%	1,723	3.5%	249	7.0%	27,385	3.0%	17.5%
Moderate	18	13.3%	3,180	6.5%	731	20.6%	123,135	13.6%	16.9%
LMI	30	22.2%	4,903	10.0%	980	27.6%	150,520	16.6%	34.4%
Middle	25	18.5%	5,606	11.5%	914	25.8%	192,340	21.3%	21.6%
Upper	66	48.9%	32,541	66.5%	1,511	42.6%	526,375	58.2%	44.0%
Unknown	14	10.4%	5,901	12.1%	144	4.1%	35,430	3.9%	
Total	135		48,951		3,549		904,665		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	39	9.5%	5,497	4.4%	972	7.6%	110,660	3.6%	
Moderate	51	12.4%	8,188	6.6%	2,620	20.6%	436,760	14.3%	
LMI	90	21.8%	13,685	11.0%	3,592	28.3%	547,420	17.9%	
Middle	73	17.7%	15,725	12.6%	3,409	26.8%	701,945	23.0%	
Upper	191	46.4%	78,639	63.0%	5,311	41.8%	1,707,025	55.9%	
Unknown	58	14.1%	16,811	13.5%	398	3.1%	97,490	3.2%	
Total	412		124,860		12,710		3,053,880		

b. Small Business Loans:

ATC's small business lending demonstrated an adequate distribution of loans among businesses of different revenue sizes.

ATC's average rates of lending to businesses with gross annual revenues of \$1 million or less were 43.9% by number and 38.1% by dollar value of loans. While the Bank's rate of lending by number was lower than the aggregate lending rate of 53.3%, its lending by dollar value of 38.1% exceeded

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the aggregate rate of 34.7%. In each year of the evaluation period, both the Bank and the aggregate lending rates were below the percentage of small businesses with revenue of \$1 million or less located in ATC's assessment area.

The following table provides a summary of the distribution of ATC's small business loans by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2022									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	64	49.6%	10,535	44.2%	2,296	50.4%	58,331	35.8%	87.5%
Rev. > \$1MM	62	48.1%	12,775	53.7%					3.4%
Rev. Unknown	3	2.3%	501	2.1%					9.2%
Total	129		23,811		4,553		162,771		
2023									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	47	40.9%	6,875	39.7%	2,326	55.9%	47,539	35.7%	89.7%
Rev. > \$1MM	63	54.8%	9,884	57.1%					2.7%
Rev. Unknown	5	4.3%	560	3.2%					7.5%
Total	115		17,319		4,164		133,251		
2024									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	37	39.8%	4,151	26.7%	3,811	53.7%	67,089	33.0%	90.1%
Rev. > \$1MM	48	51.6%	10,520	67.7%					2.6%
Rev. Unknown	8	8.6%	857	5.5%					7.3%
Total	93		15,528		7,093		203,033		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	148	43.9%	21,561	38.1%	8,433	53.3%	172,959	34.7%	
Rev. > \$1MM	173	51.3%	33,179	58.6%					
Rev. Unknown	16	4.7%	1,918	3.4%					
Total	337		56,658						

5. Community Development Lending:

During the evaluation period, ATC originated \$43.6 million in new community development loans and had \$30.9 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

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Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	\$000	# of Loans	\$000
Affordable Housing	6	2,581	15	13,039
Economic Development	18	40,076	1	2,765
Community Services	8	913	8	5,324
Revitalization and Stabilization			3	9,763
Total	32	43,570	27	30,891

Below are highlights of ATC's community development lending.

- ATC originated \$7.3 million in Small Business Administration 504 loans to a business that owns and operates a hotel. Although the hotel is in a middle-income area, the hotel will provide employment to LMI individuals, promoting economic development.
- ATC originated a \$14 million loan to purchase an office/warehouse property to be occupied by a distributor of electrical supplies and a bottling & packing company. This will create and retain employment for LMI individuals, promoting economic development.
- ATC originated a \$952,000 loan to purchase a two-story, seven-unit apartment building, and a two-story, four-unit apartment building located in a middle-income census tract. 64% of the 11 units are affordable housing units.
- ATC renewed a \$ 6.3 million loan to construct a self-storage facility. The loan allows retention of jobs for LMI individuals, promoting economic development.
- ATC originated a \$600,000 loan to an organization which offers services to individuals in need of rehabilitation and/or chronic care. The organization is largely funded by Medicaid and government grants.

a. Flexible and/or Innovative Lending Practices:

ATC made occasional use of flexible or innovative lending practices. During the evaluation period, the Bank introduced its "First Time Homebuyer Program" which offers financing up to 97% of a home's purchase price, and low interest rates on loans during their first 10 years with an optional three percent seller's concession towards borrower's closing costs. The Bank, however, did not receive applications for such loans during this evaluation period.

B. Investment Test: Low Satisfactory

The Department evaluated ATC's investment performance pursuant to the following criteria:

- (1) *The dollar amount of qualified investments;*
(2) *The innovativeness or complexity of qualified investments; and*

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(3) The responsiveness of qualified investments to the credit and community development needs of the assessment area.

1. Qualified Investments

During the evaluation period, ATC made \$5.0 million in new qualified investments and had \$2.7 million outstanding from prior evaluation periods. In addition, ATC made \$143,742 in qualified grants. This demonstrated an adequate level of qualified investments and grants over the course of the evaluation period.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	\$000	# of Inv.	\$000
Affordable Housing	1	\$ 5,000	3	2,290
Economic Development				
Community Services				
Revitalization & Stabilization			2	393
Total	1	\$ 5,000	5	2,683
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	4	\$ 4		
Economic Development	0	\$ -		
Community Services	38	\$ 132		
Revitalization / Stabilization	4	\$ 8		
Total	46	\$ 144		

Below are highlights of ATC's qualified investments and grants.

Investments

- The Bank purchased \$5 million par value of Federal National Mortgage Association Mortgage-Backed Securities. The underlying mortgaged property is an apartment complex which provides affordable housing for seniors, with 97.2% of its units designated for people with under 60% of area median income.

Grants

- ATC provided \$36,640 to a non-profit organization committed to strengthening the community through programs such as daycare, afterschool, athletics, meals, and fitness services to individuals and families regardless of their ability to pay. The funds will go towards providing financial assistance to lower-income families to help pay for membership.
- ATC donated \$10,000 to a non-profit organization that empowers individuals with intellectual disabilities. The organization is funded primarily through Medicaid and provides community services such as community-based homes, employment services, education and transportation services.
- The bank awarded \$7,500 to a charitable organization to address the critical home repair needs of families. Income guidelines are in place to restrict services to those most in need.
- ATC contributed \$7,500 to an organization which supports women's health in the LMI community who are under-insured or uninsured. The donation will go towards covering costs for these women.

2. Innovativeness of Qualified Investments:

ATC did not use innovative investments to support community development.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

ATC's qualified investments exhibited adequate responsiveness to the assessment area's credit and community development needs.

C. Service Test: Low Satisfactory

The Department evaluated ATC's retail service performance pursuant to the following criteria:

- (1) The current distribution of the banking institution's branches;
- (2) The institution's record of opening and closing branches;
- (3) The availability and effectiveness of alternative systems for delivering retail services; and
- (4) The range of services provided.

The Department evaluated ATC's community development service performance pursuant to the following criteria:

- (1) The extent to which the banking institution provides community development services; and
- (2) The innovativeness and responsiveness of community development services.

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1. Retail Banking Services:

ATC has a good branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

a. Current distribution of the banking institution's branches:

ATC has an adequate distribution of branches within its assessment area. The Bank has 13 branches located across its assessment area, of which only one (8%) is in an LMI census tract.

Most branches have Saturday hours except the Prestwick Chase, Exit 11 (Ballston Spa), and Lake George branches. The Bank's only branch that is in a moderate- income tract does not offer service on Saturday or extended hours on weekdays. Of the 11 offsite ATM locations, 6 are in middle-income locations and the remainder in upper-income locations.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Saratoga*				8	2	10	0%
Warren*			1	2		3	33%
Total	-	-	1	10	2	13	8%

*Partial County

b. Record of opening and closing branches:

ATC's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, including LMI geographies and/or LMI individuals.

c. Availability and effectiveness of alternative systems for delivering retail services:

ATC's delivery systems are accessible to significant portions of the Bank's assessment area, including LMI geographies and individuals.

ATC's alternative banking delivery systems, including mobile, online, and telephone banking, online bill payment, mobile check deposits, and bank-by mail, increase the accessibility of banking services. All branch locations have a minimum of one ATM that is 24-hour accessible.

Supplementing the branch network is a network of 25 automated teller machines ("ATM"s). The Bank's main office has two deposit-taking ATMs, while each of the other 12 branches has a single deposit-taking ATM. An additional 11 ATMs, two of which are deposit-taking, are installed at off-site locations, while the rest of the off-site ATMs only offer cash transactions; one of these cash-only ATMs is at a private location, not accessible to the public. Additionally, ATC closed a private, stand-alone, off-site ATM in March 2024 and a full-service branch in June 2024, both located in Saratoga County.

d. Range of services provided:

ATC offers the following banking products and services that benefit LMI communities and small businesses throughout the Bank's assessment area:

- Everyday Business Checking – This is a checking account specifically designed for small businesses. It has no monthly maintenance fee, no minimum balance requirement, and unlimited check-writing privileges. The account offers free online and mobile banking services, and free bill pay and loan payments through ATC's website. The account offers a complimentary ATC Visa Business Debit Card, and the ATM network transaction fee is waived for using ATMs not owned by ATC. There are no transaction fees for up to 300 transactions per month, after which the Bank charges \$0.15 per transaction.
- BankOn Checking – This is a checking account certified by Cities for Financial Empowerment Fund as meeting the Bank On National Account Standards. Bank On certified accounts are low-cost, low-risk, and focus on accessibility, affordability, and functionality that ensure the accounts are safe and meet the basic needs of consumers.
- ATC Free Student Checking – This is a free checking account available for youth aged 13 through 23. It has a \$1 initial deposit requirement, no monthly maintenance fee, and no minimum balance requirement. The account offers free online and mobile banking services, and free bill pay and loan payments through ATC's website. The account can be accessed with a complimentary ATC Visa Debit Card and Mobile Banking App. There are no transaction fees for using ATC's ATMs and the Bank refunds transaction fees incurred for 4 transactions, up to \$15, when using non-ATC ATMs.
- First-Time Homebuyers Mortgage – This is a mortgage loan program in which a first-time homebuyer may qualify for special loan terms. The benefits are a low (3%) downpayment on the sale price of the house, an optional 3% seller's concession to go toward the borrower's closing costs, and rate caps on adjustable mortgage interest rates over the life of the loan.

2. Community Development Services:

ATC provided a limited amount of community development services, specifically 65 instances of qualified community development services during the evaluation period. The Bank's directors, officers and other Bank personnel served as Board members of various community development service organizations..

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Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	65
Technical Assistance	
Seminars	
Credit Counseling	
Other Services	
Total Community Development Services	65

Below are highlights of ATC's community development services.

- Two directors served on the Board of a local housing authority whose mission is to provide safe, decent housing for elderly families, people with disabilities on fixed incomes, as well as working families who are moving towards self-sufficiency.
- A director served on the Board of a non-profit foundation dedicated to supporting individuals with multiple medical challenges and disabilities.
- Two directors served on the Board of a local hospital whose mission is to provide access to excellent healthcare in a supportive and caring environment. Medicaid and Medicare cover 70% of admitted patients.

D. Additional Factors

The following factors were also considered in assessing ATC's record of performance.

1. The extent of participation by the banking institution's Board of Directors or Board of Trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

ATC's Board of Directors appointed the Bank's Vice President of Compliance as the Bank's designated CRA officer, responsible for fulfilling and documenting all of the Bank's CRA's requirements.

ATC's Board of Directors reviews and approves the Bank's CRA Statement on an annual basis or when needed. The CRA Statement contains information about the Bank's services offered to meet the community's needs, the Bank's involvement in the local community, the Bank's assessment area, the Bank's lending activities, and their efficacy in the markets served.

2. Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.*

DFS examiners did not note practices by ATC intended to discourage applications for the types of credit offered by ATC.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS examiners did not note evidence of prohibited discriminatory or other illegal practices.

3. Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.*

ATC's directors, officers, and staff ascertain the credit needs of the local community, including LMI neighborhoods, through engagement and community outreach. Bank officers serve on board and committees, attend meetings with civic, religious, minority, non-profit, and municipal organizations, and maintain contact with real estate brokers, developers and contractors to monitor the needs of those needing housing. Additionally, the Bank's Mortgage Committee conducts semi-annual tours of its assessment area to stay informed about local credit requirements by participating in the following activities in the Bank's assessment area.

- *The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution*

ATC uses a variety of media channels to advertise and inform its community, including LMI areas, about the Bank's products and credit services. The Bank advertises using digital, print, and broadcast media.

- Digital media includes various websites such as PostStar.com, SaratogaToday.com, and SaratogaBusinessJournal.com. ATC also maintains Facebook, Instagram, and LinkedIn sites.
- Print media includes advertisements in local newspapers and magazines, such as Saratoga Today, Saratoga Business Journal, Saratoga Living, and Simply Saratoga.
- Broadcast media utilized includes mainly local radio stations, such as WNYG The Classics 101.7 and Star Radio 93.3.

- *Action Taken in Response to Written Complaints with Respect to CRA*

Neither ATC nor DFS received any written complaints regarding ATC's CRA performance during the evaluation period.

4. Other factors that in the judgment of the Superintendent bear upon the extent to which ATC is helping to meet the credit needs of its entire community

DFS examiners noted no other factors.

V - GLOSSARY

Aggregate Lending

“Aggregate lending” means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

Community Development

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

“Community development loan” means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons (DFS multifamily industry letter www.dfs.ny.gov/industry_guidance/industry_letters/il20141204_guidelines_bank_lending_multifamily_properties_cra_updated) ;

- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

“Community development service” means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution (“CDFI”)

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

Fair Market Rents (“FMRs”)

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

“Geography” means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area (“MSA”) or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

LMI Geographies

“LMI geographies” means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas (“BNAs”) and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

“LMI borrowers” means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is in an MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council (“FFIEC”).

LMI Individuals/Persons

“LMI individuals” or “LMI persons” means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in an MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

LMI Penetration Rate

“LMI penetration rate” means the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit (“LIHTC”)

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer’s federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit (“NMTC”)

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (“CDEs”). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all the taxpayer’s investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program (“PPP”) Loans

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

“Qualified investment” means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;

- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF ADIRONDACK TRUST COMPANY

AS OF JUNE 30, 2022

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

NOTE: This Evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

I - GENERAL INFORMATION

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Adirondack Trust Company (“ATC” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This Evaluation represents the Department’s current assessment and rating of the Bank’s CRA performance based on an evaluation conducted as of June 30, 2022.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent (“GRS”) implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the Evaluation be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this Evaluation.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

II - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated ATC according to the intermediate small banking institutions performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included calendar years 2019, 2020 and 2021 for the lending test and the period from January 1, 2019, to June 30, 2022, for the community development test. ATC is rated “2” indicating a “Satisfactory” record of helping to meet community credit needs.

The rating is based on the following factors:

A. Lending Test: Satisfactory

1. Loan-to-Deposit Ratio and Other Lending-Related Activities: Satisfactory

ATC's average loan-to-deposit (“LTD”) ratio was satisfactory considering its size, business strategy, financial condition, and peer group activity.

ATC's average LTD ratio of 65.2% was well below its peer group average of 81.7%, due in part to the Bank's strategy of selling a portion of its HMDA-reportable loans in the secondary market as well as holding municipal deposits, which are not available for lending. However, the Bank's commitment to originating mortgage loans is shown by ATC's top 10 ranking among more than 180 mortgage lenders in the peer mortgage market share report for each year of the evaluation period, for mortgage loans originated in its assessment area.

2. Assessment Area Concentration: Satisfactory

During the evaluation period, ATC originated 81.9% by number and 76.6% by dollar value of its HMDA-reportable and small business loans within the assessment area, demonstrating a satisfactory concentration of lending.

3. Distribution by Borrower Characteristics: Satisfactory

ATC's lending demonstrated a satisfactory distribution of loans among individuals of different income levels and businesses of different revenue sizes.

In 2019, ATC's rates of lending to small businesses with gross annual revenue of \$1 million or less were well above the aggregate's rates, while ATC's average rates for one-to-four family HMDA-reportable lending to low- and moderate-income borrowers for the evaluation period were well below the aggregate's rates.

ATC's small business lending was evaluated based on its 2019 small business lending, as the Bank's small business lending in 2020 and 2021 was negatively skewed by a large number of small business loans originated with revenue unknown, primarily Paycheck Protection program (“PPP”) loans that did not require collecting and reporting of revenue.

4. Geographic Distribution of Loans: Satisfactory

ATC's origination of loans in census tracts of varying income levels demonstrated a satisfactory

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

distribution of lending. The Bank's assessment area contains no low-income census tracts.

ATC's average HMDA-reportable lending rates for the evaluation period trailed the aggregate's rates by number but was comparable by dollar value. ATC's average small business lending rates of 7% by number and 6.5% by dollar value trailed aggregate rates of 8.2% and 9.6%, respectively.

5. Action Taken in Response to Written Complaints with Respect to CRA: N/A

Neither DFS nor ATC received any written complaints during the evaluation period regarding ATC's CRA performance.

B. Community Development Test: Outstanding

ATC's community development performance demonstrated an outstanding responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and services, considering the Bank's capacity and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending: Outstanding

During the evaluation period, ATC originated \$41.1 million in new community development loans and had \$16.4 million outstanding from prior evaluation periods. This demonstrated an outstanding level of community development lending over the course of the evaluation period.

2. Qualified Investments: Satisfactory

During the evaluation period, ATC made \$3.6 million in qualified investments and had \$190,000 outstanding from prior evaluation periods. In addition, ATC made \$1.8 million in qualified grants. This demonstrated a satisfactory level of qualified investments over the course of the evaluation period.

3. Community Development Services: Outstanding

During the evaluation period, Bank officers and employees performed 166 qualified community development services demonstrating an outstanding level of community development services.

4. Responsiveness to Community Development Needs:

ATC demonstrated a satisfactory level of responsiveness to credit and community development needs, which included originating PPP loans to assist small businesses affected by the COVID-19 pandemic.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and GRS Part 76.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

III - PERFORMANCE CONTEXT

A. Institution Profile

ATC is New York State chartered commercial bank located in Saratoga Springs, New York. The Bank has three subsidiaries: Adirondack Trust Company Financial Services, Inc., an insurance agency which offers insurance products to consumers and businesses; Adirondack R.E.I.T. Inc., which holds investments in residential and commercial mortgages in repayment; and 2961 Route 9, LLC, which holds other real estate owned.

ATC operates 14 full-service brick-and-mortar banking offices, of which 11 are located in Saratoga County, and three are located in Warren County. Supplementing the banking offices is an automated teller machine (“ATM”) network consisting of 25 ATMs one each at the 14 banking offices and 11 off-site stand-alone ATMs located throughout the Bank’s assessment area. One of the off-site ATMs is private and not accessible to the public and only four of the off-site ATMs are deposit-taking. None of the Bank’s full-service banking offices and off-site ATMS are located in LMI census tracts.

ATC offers traditional banking products which include personal and business checking and savings accounts, and term loans, line of credit and small business loans, as well as construction and development financing. The Bank services offered include mobile and online banking.

In its Consolidated Report of Condition (the Call Report) as of December 31, 2021, filed with the Federal Deposit Insurance Corporation (“FDIC”), ATC reported total assets of \$1.7 billion, of which \$803.2 million were net loans and lease financing receivables. It also reported total deposits of \$1.5 billion, resulting in a LTD ratio of 53.1%. According to the latest available comparative deposit data as of June 30, 2022, ATC obtained a market share of 15.9%, or \$1.5 billion in a market of \$9.5 billion, ranking it 2nd among 18 deposit-taking institutions in the Saratoga and Warren counties.

The following is a summary of the Bank’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2019, 2020 and 2021’s Call Reports:

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	2019		2020		2021	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	224,066	28.9	218,879	26.2	222,395	26.9
Commercial & Industrial Loans	100,502	13.0	150,572	18.1	127,122	15.4
Commercial Mortgage Loans	313,145	40.4	338,436	40.6	362,620	43.9
Multifamily Mortgages	55,940	7.2	54,412	6.5	50,419	6.1
Consumer Loans	35,294	4.6	17,763	2.1	10,274	1.2
Agricultural Loans	0	0.0	0	0.0	0	0.0
Construction Loans	37,366	4.8	46,031	5.5	40,279	4.9
Obligations of States & Municipalities	6,419	0.8	5,547	0.7	4,640	0.6
Other Loans	2,459	0.3	2,204	0.3	8,191	1.0
Lease financing	0	0.0	0	0.0	0	0.0
Total Gross Loans	775,191		833,844		825,940	

As illustrated in the above table, ATC is primarily a commercial lender, with a total of 59.3% of its loan portfolio in commercial mortgage loans and commercial & industrial loans. Multifamily loans and 1-4 family residential real estate loans are 6.1% and 26.9%, respectively. ATC's trend of reducing consumer loans including automobile loans from the prior evaluation period continued as consumer loans declined from \$35.3 million in 2019 to \$10.3 million in 2021 primarily driven by a decline in auto loans, which decreased by 86.3% from \$27 million in 2019 to only \$3.7 million in 2021.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on ATC's ability to meet the credit needs of its community.

B. Assessment Area

The Bank's assessment area is comprised of parts of Saratoga and Warren counties and has remained unchanged from the last evaluation period.

There are 43 census tracts in the Bank's assessment area, with zero low-income tracts, seven moderate-income tracts, 29 middle-income tracts, six upper-income tracts, and one tract with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	EMI %
Saratoga*	1	0	5	20	4	30	16.7
Warren*	0	0	2	9	2	13	15.4
Total	1	0	7	29	6	43	16.3

* Partial county

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

Demographic & Economic Data

The assessment area had a population of 190,650 during the evaluation period. Approximately 15.7% of the population were over the age of 65 and 18.4% were under the age of 16.

Of the 49,135 families in the assessment area, 17.7% were low-income, 17.7% were moderate-income, 22.4% were middle-income and 42.2% were upper-income. There were 76,771 households in the assessment area, of which 9% had income below the poverty level and 1.7% were on public assistance.

The weighted average median family income in the assessment area was \$81,718.

There were 87,319 housing units within the assessment area, of which 81.5% were one-to-four family units, and 10.7% were multifamily units. A majority (60.7%) of the housing units were owner-occupied, while 27.2% were rental units.

Of the 53,030 owner-occupied housing units, 8.3% were in LMI census tracts while 91.7% were in middle- and upper-income census tracts. The median age of the housing stock was 49 years, and the median home value in the assessment area was \$229,204.

There were 18,664 non-farm businesses in the assessment area. Of these, 87.2% were businesses with reported revenues of less than or equal to \$1 million, 97.5% reported revenues of more than \$1 million and 9.2% did not report their revenues. Of all the businesses in the assessment area, 97.0% were businesses with less than fifty employees while 91.4% operated from a single location. The largest industries in the area were services (38.1%), retail trade (12.9%) and finance, insurance and real estate (8.73%); 20.1% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rates for New York State, Saratoga County and Warren County increased significantly from 2019 to 2020. This increase can be attributed to the onset of the COVID pandemic at the beginning of 2020. Saratoga County had the lowest average annual unemployment rates for each year of the evaluation period. Warren County had lower average annual unemployment rates than New York State for 2020 and 2021, but not for 2019.

Assessment Area Unemployment Rate			
	Statewide	Saratoga	Warren
2019	3.8	3.2	4.4
2020	9.9	6.4	8.1
2021	6.9	3.8	4.9
Average of years above	6.9	4.5	5.8

D. Community Information

DFS examiners conducted community contact interviews with the chief executive officers of two nonprofit organizations headquartered and operating in the Bank's assessment area.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

The first interviewee mentioned ATC as one of the leading banks making grants to serve the needs of the community and also actively making PPP loans supporting small businesses. While the pandemic had a significant impact, Saratoga County has rebounded quicker than some other counties. Still, the county faces historic labor shortage and a significant rise in housing prices. The interviewee indicated that solutions include building more affordable and workforce housing plus better public transportation to take people from where they live to where they work.

The second interviewee stated that a low birthrate, a high median age and the opioid crisis have significantly impacted the population and the available workforce in Warren County. While tourism was affected, the rest of the economy primarily based in services and manufacturing was significantly impacted by the pandemic. Some businesses did not survive, but this was primarily due to a lack of available workers, not financing. Median house prices keep going up resulting in a lack of affordable housing, further complicated by the fact that 92% of the county is located within Adirondack Park and any development is reviewed and regulated by park authorities for impact on water sources, federal and state environmentally protected areas. The interviewee also mentioned ATC as one of the top donors among banks that made donations in the area.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated ATC under the intermediate small banking institution performance criteria in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending test includes:

1. Loan-to-deposit ratio and other lending-related activities;
2. Assessment area concentration;
3. Distribution of loans by borrower characteristics;
4. Geographic distribution of loans; and
5. Action taken in response to written complaints regarding CRA.

The community development test includes:

1. Community development lending;
2. Community development investments;
3. Community development services; and
4. Responsiveness to community development needs.

DFS also considered the following factors in assessing the bank's record of performance:

1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;
2. Evidence of any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.

DFS derived statistics employed in this Evaluation from various sources. ATC submitted bank-specific information both as part of the Evaluation process and in its call report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained loan to deposit ("LTD") ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from call report data.

DFS derived the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and DFS used this information even where the institution's assessment area includes partial counties.

The evaluation period included calendar years 2019, 2020, and 2021 for lending activities and the period from January 1, 2019 to June 30, 2022, for community development activities.

Examiners considered ATC's HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) of the lending test noted above.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

HMDA-reportable and small business loan data evaluated in this evaluation represented actual originations. ATC did not make any small farm loans, DFS based all analyses on small business lending only.

ATC is not required to report small business loan data, so ATC's small business lending is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

In its prior Community Reinvestment Act Performance Evaluation as of December 31, 2018, DFS assigned ATC a rating of "2" or a "Satisfactory" compliance with regulatory standards.

CRA Rating: Satisfactory

A. Lending Test: Satisfactory

ATC small business, and HMDA-reportable activities were satisfactory in light of ATC's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

1. Loan-to-Deposit Ratio and other Lending-Related Activities: Satisfactory

ATC's average LTD ratio was satisfactory considering its size, business strategy, financial condition and peer group activity.

ATC's average LTD ratio of 65.2% was well below its peer group average of 81.7%. The Bank's lower LTD is in part due to ATC's strategy of selling a portion of its HMDA-reportable loans in the secondary market as well as holding municipal deposits, which are not available for lending. Nevertheless, the Bank ranked in the top 10 of over 180 mortgage lenders in the peer mortgage market share report for each year of the evaluation period for mortgages originated in ATC's assessment area, illustrating the Bank's commitment of originating mortgage loans in its assessment area.

The table below shows ATC'S LTD ratios in comparison with the peer group's ratios for the 12 quarters of this evaluation.

Loan-to-Deposit Ratios													
	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	Avg.
Bank	73.4	72.0	71.9	70.8	71.4	70.0	67.1	61.2	61.2	56.1	54.9	53.1	65.2
Peer	85.9	87.0	86.7	86.6	86.1	85.4	84.6	80.4	77.5	75.2	72.7	72.1	81.7

2. Assessment Area Concentration: Satisfactory

During the evaluation period, ATC originated 81.9% by number and 76.6% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a satisfactory concentration of lending.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

a. HMDA-Reportable Loans:

During the evaluation period, ATC originated 84.9% by number and 82% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of the Bank's assessment area reflects a satisfactory concentration of lending.

b. Small Business Loans:

During the evaluation period, ATC originated 80.7% by number and 71% by dollar value of its small business loans within the assessment area. This majority of lending inside of the Bank's assessment area reflects a satisfactory concentration of lending.

The following table shows the percentages of ATC's HMDA-reportable, and small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2019	243	90.7%	25	9.3%	268	63,389	89.3%	7,591	10.7%	70,980
2020	238	86.5%	37	13.5%	275	63,077	85.9%	10,320	14.1%	73,397
2021	259	78.7%	70	21.3%	329	76,026	74.1%	26,525	25.9%	102,551
Subtotal	740	84.9%	132	15.1%	872	202,492	82.0%	44,436	18.0%	246,928
Small Business										
2019	183	75.6%	59	24.4%	242	22,284	60.9%	14,320	39.1%	36,604
2020	893	80.5%	216	19.5%	1,109	80,425	72.8%	29,994	27.2%	110,419
2021	653	82.4%	139	17.6%	792	67,500	72.7%	25,327	27.3%	92,827
Subtotal	1,729	80.7%	414	19.3%	2,143	170,209	71.0%	69,641	29.0%	239,850
Grand Total	2,469	81.9%	546	18.1%	3,015	372,701	76.6%	114,077	23.4%	486,778

3. Distribution by Borrower Characteristics: Satisfactory

ATC's lending demonstrated a satisfactory distribution of loans among individuals of different income levels and businesses of different revenue sizes.

a. One-to-four Family HMDA-Reportable Loans:

ATC's one-to-four family HMDA-reportable lending demonstrated a less than satisfactory distribution of loans among borrowers of different income levels.

While the ATC's average rates of lending to LMI borrowers of 21.5% by number and 14.4% by dollar value of loans was an improvement over the prior evaluation period's average rates of lending of 15.7% and 13.1% respectively, the Bank's rates were still well below the aggregate's average rates of 27.1% by number and 19% by dollar value for the current evaluation period.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

The following table provides a summary of the distribution of ATC's one-to-four family loans by borrower income.

Distribution of One-to-Four Family Loans by Borrower Income									
2019									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	16	7.0%	1,735	3.5%	337	6.4%	35,555	3.2%	17.7%
Moderate	33	14.5%	3,555	7.2%	1,063	20.0%	162,225	14.7%	17.7%
LMI	49	21.5%	5,290	10.7%	1,400	26.4%	197,780	17.9%	35.4%
Middle	51	22.4%	8,095	16.3%	1,409	26.5%	253,285	23.0%	22.4%
Upper	111	48.7%	30,348	61.3%	2,329	43.9%	608,875	55.2%	42.2%
Unknown	17	7.5%	5,810	11.7%	169	3.2%	42,105	3.8%	
Total	228		49,543		5,307		1,102,045		
2020									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	17	7.4%	3,434	5.7%	515	7.0%	68,095	4.0%	17.7%
Moderate	29	12.6%	5,719	9.4%	1,526	20.7%	271,880	15.9%	17.7%
LMI	46	20.0%	9,153	15.1%	2,041	27.7%	339,975	19.9%	35.4%
Middle	41	17.8%	9,422	15.5%	1,930	26.2%	407,650	23.9%	23.4%
Upper	117	50.9%	36,998	61.0%	3,053	41.4%	872,425	51.1%	42.2%
Unknown	26	11.3%	5,075	8.4%	350	4.7%	88,680	5.2%	
Total	230		60,648		7,374		1,708,730		
2021									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	19	7.6%	3,201	4.4%	533	6.6%	71,435	3.7%	17.7%
Moderate	38	15.2%	8,621	11.9%	1,639	20.4%	291,695	15.1%	17.7%
LMI	57	22.8%	11,822	16.3%	2,172	27.1%	363,130	18.8%	35.4%
Middle	47	18.8%	10,337	14.2%	2,066	25.7%	436,230	22.6%	22.4%
Upper	118	47.2%	41,543	57.2%	3,406	42.4%	1,029,280	53.4%	42.2%
Unknown	28	11.2%	8,894	12.3%	381	4.7%	98,525	5.1%	
Total	250		72,596		8,025		1,927,165		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	52	7.3%	8,370	4.6%	1,385	6.7%	175,085	3.7%	
Moderate	100	14.1%	17,895	9.8%	4,228	20.4%	725,800	15.3%	
LMI	152	21.5%	26,265	14.4%	5,613	27.1%	900,885	19.0%	
Middle	139	19.6%	27,854	15.2%	5,405	26.1%	1,097,165	23.2%	
Upper	346	48.9%	108,889	59.6%	8,788	42.4%	2,510,580	53.0%	
Unknown	71	10.0%	19,779	10.8%	900	4.3%	229,310	4.8%	
Total	708		182,787		20,706		4,737,940		

b. Small Business Loans:

ATC's small business lending demonstrated an outstanding distribution of loans among businesses of different revenue sizes.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

ATC's small business lending was evaluated based on its 2019 lending, as the Bank's small business lending in 2020 and 2021 was negatively skewed by a large number of small business loans originated with revenue unknown of 596 (66.7%) and 403 (61.7%), respectively, of which a large majority were PPP loans that did not require collecting and reporting of revenue.

In 2019, ATC rates of lending to small businesses with gross annual revenue of \$1 million or less were 53.6% by number and 59.9% by dollar value of loans well above the aggregate's rates of 45.6% and 31.4%, respectively.

Both the Bank's and the aggregate's rates of lending to small businesses with gross annual revenue of \$1 million or less in 2019 trailed the business demographics of these types of small businesses within the assessment area.

The following table provides a summary of the distribution of ATC's small business loans by revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2019									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	98	53.6%	13,344	59.9%	1,768	45.6%	43,398	31.4%	84.3%
Rev. > \$1MM	61	33.3%	5,714	25.6%					5.0%
Rev. Unknown	24	13.1%	3,226	14.5%					10.7%
Total	183		22,284		3,877		138,002		
2020									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	136	15.2%	10,786	13.4%	1,455	32.5%	49,173	21.1%	86.5%
Rev. > \$1MM	161	18.0%	29,643	36.9%					4.2%
Rev. Unknown	596	66.7%	39,996	49.7%					9.4%
Total	893		80,425		4,472		232,785		
2021									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	116	17.8%	9,990	14.8%	2,080	43.7%	50,047	27.8%	87.2%
Rev. > \$1MM	134	20.5%	33,137	49.1%					3.6%
Rev. Unknown	403	61.7%	24,373	36.1%					9.2%
Total	653		67,500		4,765		180,237		

4. Geographic Distribution of Loans: Satisfactory

ATC's origination of loans in census tracts of varying income levels demonstrated a satisfactory distribution of lending. The Bank's assessment area contains no low-income census tracts.

ATC's average rates of lending in moderate-income tracts for HMDA-reportable loans for the current evaluation period exceeded the prior evaluation period rates but trailed the aggregate's rate by number of loans, while its rate was comparable to the aggregate's rate by dollar value of loans. ATC's small business lending rates for loans to small businesses with revenue of \$1 million or less trailed the aggregate rates.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

a. HMDA-Reportable Loans:

The distribution of ATC's HMDA-reportable lending among census tracts of different income levels was satisfactory.

ATC's average rates of lending in moderate-income census tracts during the current evaluation period were 4.7% by number and 4% by dollar value, which exceeded the prior period's rates of 4.5% and 2.4% respectively; while trailing the aggregate's rates for the current evaluation period of 6.5% and 4.8%, respectively. The demographic percentage for owner-occupied housing units during the evaluation period was 8.3%.

The following table provides a summary of the distribution of ATC's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2019									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	15	6.2%	3,639	5.7%	376	7.0%	4,195	3.7%	8.3%
LMI	15	6.2%	3,639	5.7%	376	7.0%	4,195	3.7%	8.3%
Middle	161	66.3%	40,767	64.3%	4,074	76.1%	86,550	75.4%	75.8%
Upper	67	27.6%	18,983	29.9%	901	16.8%	23,975	20.9%	15.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	243		63,389		5,351		114,720		
2020									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	8	3.4%	1,059	1.7%	398	5.4%	73,700	4.0%	8.3%
LMI	8	3.4%	1,059	1.7%	398	5.4%	73,700	4.0%	8.3%
Middle	177	74.4%	44,670	70.8%	5,686	76.7%	1,398,200	75.4%	75.8%
Upper	53	22.3%	17,348	27.5%	1,334	18.0%	382,420	20.6%	15.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	238		63,077		7,418		1,854,320		
2021									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	12	4.6%	3,428	4.5%	584	7.2%	113,780	5.6%	8.3%
LMI	12	4.6%	3,428	4.5%	584	7.2%	113,780	5.6%	8.3%
Middle	179	69.1%	50,197	66.0%	6,102	75.5%	1,506,380	74.1%	75.8%
Upper	68	26.3%	22,401	29.5%	1,394	17.3%	413,350	20.3%	15.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	259		76,026		8,080		2,033,510		
GRAND TOTAL									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	-	0.0%	-
Moderate	35	4.7%	8,126	4.0%	1,358	6.5%	191,675	4.8%	-
LMI	35	4.7%	8,126	4.0%	1,358	6.5%	191,675	4.8%	-
Middle	517	69.9%	135,634	67.0%	15,862	76.1%	2,991,130	74.7%	-
Upper	188	25.4%	58,732	29.0%	3,629	17.4%	819,745	20.5%	-
Unknown	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Total	740		202,492		20,849		4,002,550		

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b. Small Business Loans:

The distribution of ATC's small business loans among census tracts of varying income levels was satisfactory.

ATC's rates of lending were 7% by number and 6.5% by dollar value of loans, which trailed the aggregate's rates of 8.2% and 9.6%, respectively. The Bank's and the aggregate's rates were both below the business demographics for moderate-income census tracts.

The following table provides a summary of the distribution of ATC's small business loans by the income level of the geography where the businesses were located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2019									
Geographi	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	24	13.1%	1,548	6.9%	288	7.4%	10,155	7.4%	9.3%
LMI	24	13.1%	1,548	6.9%	288	7.4%	10,155	7.4%	9.3%
Middle	105	57.4%	14,775	66.3%	2,771	71.5%	96,163	69.7%	69.8%
Upper	54	29.5%	5,961	26.8%	818	21.1%	31,684	23.0%	20.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	183		22,284		3,877		138,002		
2020									
Geographi	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	52	5.8%	5,586	6.9%	397	8.9%	25,414	10.9%	8.6%
LMI	52	5.8%	5,586	6.9%	397	8.9%	25,414	10.9%	8.6%
Middle	490	54.9%	47,282	58.8%	3,099	69.3%	155,987	67.0%	69.6%
Upper	351	39.3%	27,557	34.3%	975	21.8%	51,364	22.1%	21.9%
Unknown	0	0.0%	0	0.0%	1	0.0%	20	0.0%	0.0%
Total	893		80,425		4,472		232,785		
2021									
Geographi	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	45	6.9%	3,924	5.8%	384	8.1%	17,532	9.7%	8.1%
LMI	45	6.9%	3,924	5.8%	384	8.1%	17,532	9.7%	8.1%
Middle	355	54.4%	36,692	54.4%	3,333	69.9%	124,229	68.9%	69.4%
Upper	253	38.7%	26,884	39.8%	1,048	22.0%	38,476	21.3%	22.5%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	653		67,500		4,765		180,237		
GRAND TOTAL									
Geographi	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	-	0.0%	-	0.0%	
Moderate	121	7.0%	11,058	6.5%	1,069	8.2%	53,101	9.6%	
LMI	121	7.0%	11,058	6.5%	1,069	8.2%	53,101	9.6%	
Middle	950	54.9%	98,749	58.0%	9,203	70.2%	376,379	68.3%	
Upper	658	38.1%	60,402	35.5%	2,841	21.7%	121,524	22.1%	
Unknown	-	0.0%	-	0.0%	1	0.0%	20	0.0%	
Total	1,729		170,209		13,114		551,024		

5. Action Taken in Response to Written Complaints with Respect to CRA: "N/A"

Neither DFS nor ATC received any written complaints during the evaluation period regarding ATC's CRA performance.

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B. Community Development Test: Outstanding

ATC's community development performance demonstrated an outstanding responsiveness to the community development needs of its assessment area through community development loans, qualified investments and community development services, considering ATC's capacity and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending: Outstanding

During the evaluation period, ATC originated \$41.1 million in new community development loans, and had \$16.4 million outstanding from prior evaluation periods within the assessment area. This demonstrated an outstanding level of community development lending over the course of the evaluation period.

The majority of the Bank's community development loans supported the community development purposes of revitalization & stabilization and community services, as shown in the table below.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	\$000	# of Loans	\$000
Affordable Housing	6	4,028	13	7,343
Community Services	5	3,279	9	5,942
Economic Development	9	15,528	1	20
Revitalize/Stabilize	5	18,250	5	3,054
Total	25	41,085	28	16,359

Below are highlights of ATC's community development lending:

- ATC extended a \$500,000 construction loan to finance the construction of an 8,000 square foot building to be the headquarters of a nonprofit organization that provides services to victims of sexual abuse and domestic violence.
- ATC originated a \$4.4 million Small Business Administration 504 loan to purchase a resort located in a middle-income area. The resort will provide jobs for LMI individuals from the surrounding areas promoting economic development.
- ATC extended a \$8.8 million loan for the construction of a climate controlled self-storage facility located in a moderate-income area. The storage facility will revitalize and stabilize the surrounding area and provide job opportunities for LMI individuals.
- ATC refinanced an existing loan in the amount of \$3 million to a restaurant. Although the restaurant is located in an upper-income area, the restaurant provides employment to LMI individuals, promoting economic development.

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- ATC extended \$7 million in loans to a local business engaged in providing plumbing, heating and other related services located in a moderate-income area within the assessment area. The credit facility included \$2 million in PPP loans and the balance were term loans. This business helps in the revitalization and stabilization of the area as well as providing jobs for local residents.

2. Qualified Investments: Satisfactory

During the evaluation period, ATC made qualified investments totaling \$3.6 million and had \$190,000 outstanding from prior evaluation periods. This compares to a single qualified investment of \$1.2 million in the prior evaluation period. In addition, ATC made 347 qualified grants totaling \$1.8 million. This demonstrated a satisfactory level of qualified investments and grants over the course of the evaluation period.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior	
CD Investments	# of Inv.	\$000	# of Inv.	\$000
Affordable	3	2,746		
Economic				
Community				
Revitalization /	2	820	1	190
Total	5	3,566	1	190
CD Grants	# of Grants	\$000	Not Applicable	
Affordable	6	36		
Economic	4	5		
Community	324	1,702		
Revitalization /	13	15		
Total	347	1,757		

Below are highlights of ATC's qualified investments and grants.

Investments

- ATC made a \$1.7 million investment in a Federal National Mortgage Association guaranteed mortgage-backed bond collateralized by residential mortgages to LMI borrowers.
- The Bank invested in New York State Housing Finance Agency bonds totaling \$1 million. The agency supports affordable housing to low- and moderate-income residents throughout New York including the assessment area. One bond in the amount of \$635,000 was "Climate Bond Certified."
- ATC purchased \$500,000 in bonds that support the construction of a water line in an adjacent county that is outside the bank's assessment area but will benefit and help to revitalize & stabilize moderate-income areas within the assessment area.

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Grants

- ATC made a \$150,000 grant to a foundation that includes a nonprofit nursing home that receives 86% of its revenue from Medicaid and Medicare.
- The Bank donated \$119,000 to an organization which operates a food pantry and provides affordable housing, free clothing and furniture to low- and moderate-income individuals.
- ATC donated \$62,500 to an organization that provides various community services such as athletic, educational, and daycare programs to individuals and families regardless of their ability to pay. The organization provides financial assistance to children, teens, adults and families who cannot afford the full cost of membership or programs and financial assistance is based on household income and household size.

3. Community Development Services: Outstanding

ATC demonstrated an outstanding level of community development services over the course of the evaluation period.

Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	157
Technical Assistance	3
Seminars	3
Other Services	3
Total Community Development Services	166

During the evaluation period, Bank directors, officers and employees performed 166 community development services, a majority of which provided leadership and financial expertise through board and committee membership in community organizations promoting affordable housing and community services.

Below are highlights of ATC's community development services:

- A director/vice president served on the board of a nonprofit organization whose mission is to provide basic necessities and services to LMI individuals and families. The organization offers assistance with affordable housing, free clothing, furniture and after-school youth programs. The organization also operates a food pantry.
- Several members of the senior management team of the Bank's sit on the board of a foundation which operates a rental housing facility that provides home care, therapy, rehabilitation, recreational and social programs for low-income seniors.
- Two directors of the Bank served on the board of trustees of a local hospital, which is an acute care community hospital with programs to assist low-income, uninsured or underinsured individuals.

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Responsiveness to Community Development Needs:

ATC demonstrated a satisfactory level of responsiveness to community development needs through community development lending, services and qualified investments. In addition, ATC originated 1,570 PPP loans totaling \$163 million to assist small business affected by the COVID pandemic. The vast majority of these PPP loans were originated in the Bank's assessment area.

C. Additional Factors

1. The extent of participation by the banking institution's Board of Directors or Board of Trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

The board of directors is kept abreast of the Bank's CRA activities and meeting the credit needs of the community through senior management, the board's executive committee and mortgage committee. Senior management meets weekly to discuss new loans originated and current events the bank either sponsored or participated in. The loan department meets weekly to report on and discuss loan activity. Senior management of lending meets monthly to discuss the loan dashboard report. The executive committee of the board is provided with many of these reports that contain information regarding the Bank's lending activities and their effectiveness in the markets served. The mortgage committee of the board tours the Bank's market area on a regular basis to review the impact of the Bank's CRA activities. Both committees report to the board.

2. Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.*

DFS examiners did not note practices by ATC intended to discourage applications for the types of credit offered by ATC.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS and ATC, on June 24, 2021, entered into a Consent Order (https://www.dfs.ny.gov/system/files/documents/2021/06/ea20210624_adirondack.pdf) to resolve an investigation by the Department conducted into ATC's underwriting and pricing of automobile loans arranged by automobile dealers for the time period of January 1, 2016 through October 31, 2017. The Department did not find evidence of intentional discrimination by ATC during the investigation.

While the time period of the investigation was during the prior CRA evaluation period, the Consent Order was issued during the current evaluation period and required a \$275,000 fine to be paid to the Department and for restitution to the Eligible Impacted Borrowers. The Bank, as required by the consent order, provided restitution to 110 Eligible Impacted Borrowers in the total amount of \$45,297.40.

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3. Record of opening and closing offices and providing services at offices

During the evaluation period, ATC opened a new branch in Warren County and relocated a branch located in Warren County, 2 miles from 24 Maple Street, Glenn Falls to 79 Main Street, Queensbury, NY, all branches are in middle-income census tracts.

Branch hours in majority of the 14 full-service locations are Monday through Wednesday from 9:00 AM to 3:00 PM, and until 6:00 PM on Thursday and Friday. Most branch offices offer drive-thru services, which customers can access from 8:00 AM until normal closing hours. In addition, all but three branch offices offer Saturday hours from 9:00 AM to 1:00 PM.

The Bank has an ATM network of 25 ATMs; one located at each of the 14 branch offices and 11 offsite ATMs. Additional access to accounts is provided nationally through NYCE and PLUS networks and locally at non-ATC ATMs at supermarkets and other retailers.

ATC provides 24-hour access to banking services through its online banking service, which allows customers to conduct almost all of their banking needs from a personal computer, tablet, or smartphone. Customers can receive their account statements electronically and open new deposit accounts online using the Bank's website. In addition, the Bank's mobile app provides account access and remote deposit services.

Distribution of Branches within the Assessment Area						
	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Saratoga			9	2	11	0%
Warren			3		3	0%
Total	-	-	12	2	14	0%

*Partial County

4. Process Factors

- Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

ATC uses a variety of activities to ensure that communities and organizations within its assessment area are aware of the Bank's credit services. These activities include Bank employees and officers attending various community events, meeting with municipal officials, as well as civic, religious, neighborhood, minority, and not-for-profit organizations to ascertain the credit need of the community and make the community aware of the credit services offered by the Bank. ATC also maintains a booth at local home shows and small business expositions.

The Bank also participates in special loan programs such as the FNMA's HomeReady Program, FNMA's RefiNow Program, the Lake George Septic Home Equity Loan program, the U.S. Small Business Administration Loan Guaranty Program and the New York State Excelsior Linked Deposit Loan Program.

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- *The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution*

ATC markets its services and products using traditional media channels, e.g., newspaper, magazine, radio, TV and digital media. The Bank also has a billboard located just North of exit 13 on Interstate-87. In addition, the Bank advertises on its website and within its branch offices.

5. Other factors that in the judgment of the Superintendent bear upon the extent to which ATC is helping to meet the credit needs of its entire community
 - ATC also made \$21.3 million in community development loans and \$5.3 million in community development investments outside its assessment area, but in New York State.
 - During the pandemic, the Bank offered forbearance and loan payment deferrals to customers with consumer loans or business loans, waived late fees on credit cards and early withdrawal penalties on time deposits, as well as offering rebates of ATM fees.

V - GLOSSARY

Aggregate Lending

“Aggregate lending” means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

Community Development

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

“Community development loan” means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community

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loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;

- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

“Community development service” means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution (“CDFI”)

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

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Fair Market Rents (“FMRs”)

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

“Geography” means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area (“MSA”) or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

LMI Geographies

“LMI geographies” means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas (“BNAs”) and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

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“LMI borrowers” means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council (“FFIEC”).

LMI Individuals/Persons

“LMI individuals” or “LMI persons” means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

LMI Penetration Rate

“LMI penetration rate” means the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit (“LIHTC”)

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer’s federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit (“NMTC”)

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (“CDEs”). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer’s investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

ADIRONDACK TRUST COMPANY – CRA PERFORMANCE EVALUATION

Paycheck Protection Program (“PPP”) Loans

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

“Qualified investment” means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.

The Adirondack Trust Company

Policies and Procedures Summary

Community Reinvestment Act Statement

Summary:

The bank's annual Community Reinvestment Act Statement provides a snapshot of the key components that are considered by the regulatory agencies in assessing our record in meeting the credit needs of our community, including low- and moderate- income neighborhoods. Our statement includes:

- A listing of the locations and hours of our branches and/or ATMs
- An overview of all our products and services
- Examples of community involvement in the various not for profits and service organizations generally located in our community
- Key events for the year that had significant impact on the bank or in which we played a key role

Items of Note

- In 2025, the bank received a Satisfactory CRA rating from the Federal Reserve Bank of NY and is part of the bank's CRA Public File, which is available at any branch and on our public website.

THE ADIRONDACK TRUST COMPANY

COMMUNITY REINVESTMENT ACT (CRA)

STATEMENT 2025

COMMUNITY DELINEATION:

The Adirondack Trust Company (“ATC”) is a \$1.78 billion dollar bank that has been in continuous operation since opening in 1902. ATC is open for business at its Main Office and twelve branch offices at the following locations and hours (as of 12/31/25):

Main Office 473 Broadway Saratoga Saratoga Springs, NY (Census Tract: 0.610.02)	Lobby	Monday - Thursday Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 5:00 PM 9:00 AM to 1:00 PM
	Walk-up	Monday -Friday Thursday	7:30 AM to 9:00 AM 3:00 PM to 5:00 PM
	Drive-Thru	Monday-Wednesday Thursday-Friday Saturday	7:30 AM to 3:00 PM 7:30 AM to 5:00 PM 9:00 AM to 1:00 PM
Church Street Office 315 Church Street Saratoga Saratoga Springs, NY (Census Tract: 0.613.05)	Lobby	Monday -Friday Saturday	11:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday -Friday Saturday	11:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Wilton Office 650 Maple Avenue Saratoga Springs, NY (Census Tract:0.607.06)	Lobby	Monday - Friday Saturday	11:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Friday Saturday	11:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Malta Office 2510 US 9 Ballston Spa, New York (Census Tract:0.619.05)	Lobby	Monday -Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday -Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Milton Office 162 Northline Road Ballston Spa, New York (Census Tract:0.614.03)	Lobby	Monday -Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday -Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Exit 15 Office 3017 Route 50 Saratoga Springs, New York (Census Tract:0.607.04)	Lobby	Monday -Wednesday Thursday -Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday -Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM

Ballston Spa Office 224 Church Avenue (NYS Rte. 50) Ballston Spa, NY (Census Tract:0617.01)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
South Broadway Office 112 South Broadway Saratoga Springs, NY (Census Tract: 0612.02)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Exit 18 Office 79 Main St. Queensbury, New York (Census Tract: 0708.02)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Prestwick Chase Office 100 Saratoga Boulevard Saratoga Springs, NY (Census Tract:0606.01)	Lobby	Tuesday and Thursday	10:00AM to 12:30PM
Queensbury Office 376 Bay Road Queensbury, New York (Census Tract:0707.01)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 5:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Exit 11 322 Ruhle Road Ballston Lake, NY (Census Tract:0619.04)	Lobby	Monday - Wednesday Thursday - Friday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM
Lake George Branch 350 Canada Street. Lake George, NY (Census Tract:0.720.01)	Lobby	Monday – Friday	9:00 AM to 3:00 PM
	Drive-Thru	Monday - Friday	9:00 AM to 3:00 PM

Closed Branches and ATMs

Luther Forest Branch (Census Tract 0619.07)	51 Luther Forest Blvd, Mechanicville, NY 12118	Hours M-F 11AM-6PM	Closed June 28, 2024
Quad Graphics ATM (Census Tract 0619.07)	56 Duplainville Rd Saratoga Springs NY	Private Employer Facility	Closed March 22, 2024

ATC provides 24-hour access to banking services with our online and mobile banking service known as WebWise Banking. WebWise Banking allows our customers to conduct almost all their banking from a personal computer, tablet or smartphone. Using our eStatement service, customers can receive their account statements including check images electronically through WebWise Banking. Opting to receive eStatements can reduce the monthly service charge which is comparable to a lower-cost checking account product. ATC retail customers can open new deposit accounts via their existing WebWise account. In addition, new retail customers to the bank can open accounts via our website: www.adirondacktrust.com. Our mobile banking smartphone app provides most WebWise Banking features, including remote check deposit service.

On ATC's public website and through its WebWise online banking, we provide the following additional services:

- Send/view secure messages including attachments between our customers and Adirondack Trust Company staff
- Pay third party bills via check or electronic payment
- Person- to- Person payments available using Zelle network
- Make ATC loan payments via account transfer from an ATC account or from an account at another financial institution
- Code and categorize transactions via Money Management tool
- View and print canceled checks and deposit slips
- Check balances and pending transactions
- Access to ATC credit card to view history, balances and to make payments
- Review account activity and account history for 30 months (limited to 6 months on mobile app)
- Search account history by check number or amount
- Transfer funds between ATC accounts
- Transfer funds electronically to and from accounts at other financial institutions
- Text Banking available for quick balance, recent transactions, and preset account transfers.
- Aggregate external accounts at other financial institutions for viewing balances and use of spending, budgeting, budgeting alerts and cash flow tools via Money Management
- Issue stop payment orders
- Link to third party website login page for trust wealth management access
- Download account history into Excel spreadsheet, Quicken or QuickBooks software programs
- Connect to Quicken or QuickBooks via Direct Connect or Express Web Connect for automatic history import
- E-Statements including check images
- Remotely deposit checks to ATC checking accounts via mobile app
- Set up account activity alerts
- Submit change of address and change of phone number requests
- Submit check re-orders
- ACH Origination available for approved business customers (Webwise Plus Business Banking only)
- Check Positive Pay available for business customers (Webwise Plus Business Banking only)
- Submit wire transfer requests via web message or wire template
- Set up and manage user access to accounts and all entitled services (Webwise Plus Business Banking only)
- Set up and manage user access for an authorized user (Retail banking only with no access to external money movement features)
- Open sole or joint consumer deposit accounts online
- Online mortgage application allowing customers to buy and/or refinance their mortgage loans.

ATC has many 24-hour automated teller machines at the following locations:

- Fifteen ATM machines at our thirteen banking offices *
- Marion Ave. Kiosk*
- Skidmore College*
- Saratoga Hospital
- Wesley Healthcare Center (2-ATMs)
- Saratoga National Golf Club
- Milton Center Plaza Kiosk*
- Saratoga West Ave. YMCA
- Saratoga Springs Public Library
- Wilton Mall
- ATC Mabee Building office on Church St. (accessible only during office hours)

With our thirteen banking offices, twenty-six automated teller machines (*sixteen that accept deposits), and WebWise Banking, our customers have access to our full line of banking products 24 hours a day. Additional access to accounts is provided nationally through NYCE and PLUS network. There is also accessibility through ATMs that can be found at many local and national brand locations.

ATC is committed to serving the financial needs of the neighborhoods, which encompass the Bank's Assessment Area as delineated on the attached map (**Exhibit A**). The yellow, pink, and green shaded area within the map delineates the income designations of the census tracts.

ATC's Assessment Area, which is northern Saratoga County and southern Warren County, shows the area from which we receive a substantial majority of our deposits and in which we originate a substantial majority of our loans. The establishment of this relevant local community is not intended to disqualify customers because of geographic happenstance.

Most of ATC's Board of directors and officers reside in our banking area and all are dedicated to properly servicing our market area.

DEPOSIT SERVICES OFFERED:

The bank offers traditional savings accounts; various checking accounts including a student checking, and Basic Banking and BankOn checking which are two lower costing alternatives; money market accounts; certificates of deposit; HSA; and IRAs. Below are the services, which fees may apply:

- Account Services
- Debit Card (Offering tap to pay in 2025)
- Checks
- Health Savings Account
- Dynamic Deposit Account Sweep
- Overdraft Services
- Wires

Details regarding fees on the above services are available at each branch location and on the public website.

In addition, ATC provides Free Student Checking designed to help students reach their financial goals and to help them manage their money while developing basic money management skills. ATC also offers two lower cost checking accounts: Basic Banking checking that has no minimum balance requirement, a low monthly fee and 12 free withdrawals; and the BankOn checking account that also has no minimum balance requirement, a low monthly fee and no overdraft fees. The BankOn checking account is certified by the Cities for Financial Empowerment Fund.

The bank also offers the Dynamic Deposit Account Sweep, this service allows customers to designate a second deposit account from which funds are transferred to the checking account incurring said charge in the event of insufficient funds to pay an item. This service is a lower cost alternative to overdraft fees.

CREDIT SERVICES OFFERED:

In accordance with the Bank's Loan Policy, ATC is committed to fulfilling the legitimate credit needs of our assessment area and will welcome applications for sound loans from creditworthy individuals and businesses for the following types of credit:

- Residential mortgage loans (1-4 family, including a First-Time Home Buyer's program)
- Conventional - Fixed Rate Mortgages -Adjustable-Rate Mortgages
 - Bi-Weekly Mortgages
- FNMA Mortgages (terms of 10 to 30 years)
- FNMA RefiNow
- FNMA Home Ready
- United States Department of Agriculture Rural Development loans
- Jumbo mortgage loans (over \$806,500)
- Private Mortgage Insurance covered mortgages
- Construction and bridge loans
- Residential / apartment mortgage loans (4 family and over)
- Home improvement loans
- Home rehabilitation loans
- Loans for low-cost housing
- Loans for housing for the elderly
- Home equity loans
- Home equity lines of credit
- Lake George Septic home equity loans
- Second mortgage loans
- Consumer installment loans of all types, including auto loans (new and used), consolidation loans, personal loans, overdraft lines of credit, boat loans, recreation vehicle loans, etc.
- Credit cards (MasterCard Visa)
- Community development loans
- Loans to not-for-profit agencies and organizations
- Loans to municipalities, fire departments, emergency corps and school districts
- Commercial loans of all types, including term loans, time loans, real estate secured loans, lines of credit, business express lines of credit and letters of credit
- Government guaranteed loans through the United States Small Business Administration including the Regular 7A, Cap Lines, 504, and Express loans
- Government assisted loans through the Saratoga Springs Community Development Revolving Loan Fund, Empire State Certified Development Corporation, Greenfield Revolving Loan Fund, IDA Bonds, Job Development Agency, New York Business Development Corporation, New York Energy Research & Development Authority "Energy Smart" Loan Fund, New York Excelsior Linked Deposit Loan Program, New York Rural Development Business Industry Guaranty

Program, Saratoga County IDA, Saratoga Economic Development Corporation, Saratoga Entrepreneurial Fund, State Wide Zone Capital Corporation, and the U.S. Department of Agriculture

- Loans secured by the assignment of savings and other deposit accounts
- Loans secured by the assignment of stocks or bonds
- Loans secured by the assignment of the cash value of life insurance

COMMUNITY NEEDS AND SERVICES:

ATC, with its directors, officers, and staff, makes substantial efforts daily to ascertain the credit needs of specific segments of our local community, including low to moderate-income neighborhoods. As a community bank, we have identified a primary geographic market in order to ascertain those credit needs. The fact that most of ATC's directors and officers reside within our market area allows us to further enhance our understanding of the communities' credit needs. Above all, ATC has designed its policies to guide our officers and staff in helping our communities grow and prosper.

An important part of the formula for ATC to ascertain the credit needs of our banking area include the following:

- The Bank continued to participate with organizations, which provided the bank with expanded insight into the credit needs of our community. Bank officers attended various events throughout 2025 that kept the bank visible and engaged. Organizations included: Saratoga County Chamber, Franklin Community Center, Veteran & Community Housing Coalition, Rebuilding Together Saratoga, Pitney Meadows, Glens Falls Hospital Foundation, Saratoga Springs Rotary, Glens Falls YMCA, Saratoga Bridges, Saratoga Hospital Foundation, AIM Services, and Wesley Community. Ribbon cuttings for new business ventures within our community to promote small business entities who are either just starting out or expanding their business model
- On a semi-annual basis, the ATC's Board Mortgage Committee tours various areas within our Assessment Area and reviews properties originated within the preceding 6 months to understand the markets in which we lend.
- Bank officers are in regular contact with real estate brokers, real estate developers and real estate contractors to monitor the credit needs of housing in all income levels, including those of low-to- moderate income.
- Bank officers participate in a wide variety of meetings and seminars to keep up to date with events which affect the market and credit needs of our community.
- The Bank utilizes various demographic material and loan data for the purpose of developing credit products and marketing programs.
- Bank officers have a wide variety of customers and prospect contacts which help us determine the credit needs of our community.
- Bank officers meet with a wide variety of municipal officials, as well as civic, religious, neighborhood, minority and not-for-profit organizations to understand and meet the credit needs of our community.

ATC is also actively involved in a variety of ways with several organizations which have had, and will continue to have, a significant effect on our marketplace including but not limited to:

- Adirondack Regional Chamber of Commerce
- Glens Falls Hospital & Foundation
- AIM Services
- Franklin Community Center
- Lake George Regional Chamber
- Glens Falls YMCA
- National Museum of Racing
- RISE Housing and Support Services
- Saratoga Bridges
- Saratoga County Chamber of Commerce
- Saratoga Center for the Family
- Saratoga Downtown Business Association
- Saratoga Hospital Foundation
- Saratoga Performing Arts Center (SPAC)
- Saratoga Regional YMCA
- Saratoga Springs City Center Authority
- Saratoga Springs Housing Authority
- Saratoga Springs Preservation Foundation
- Saratoga Springs Rotary Club
- Skidmore College
- SUNY Adirondack Foundation
- Universal Preservation Hall
- Wellspring
- Yaddo

In addition to the above, bank personnel have partnered with and been actively involved by providing volunteer assistance and financial expertise to a wide variety of organizations, including the following:

Community Involvement	Position in Organization
Adirondack Trust Community Fund	Chair, President, Treasurer
AIM Services, Inc.	Board of Directors
Alliance180	Board of Directors
Angel Names Association	General Volunteer work, Board member, Treasurer and Volunteer
Arongen Elementary School PTA	Chair of Various Committees and general volunteer
Catholic Charities of Saratoga, Warren & Washington Counties	Board of Directors, Executive Committee, Fundraising Committee
Discover Saratoga	Board of Directors
Estherville Animal Shelter	General Volunteer work
Franklin Community Center	General Volunteer work
Franklin Community Center	Treasurer, Executive Committee, Finance Committee Chair, Development Committee,

	Housing Task Force Chair
Glens Falls Family YMCA (now a division of Saratoga Regional YMCA)	Board of Directors
Glens Falls Hospital Foundation	Board of Directors
H.O.P.E (Homes for Orphaned Pets Exist)	Board of Directors- Treasurer, Member of Fundraising Committee
Lifeworks Community Action	General Volunteer Work
Northeast Center for Spiritual Growth	Board of Directors, General Volunteer Work
Notre Dame/Visitation Church	Finance Committee; Chairperson
NY Military Museum	Transcription - NYS Veterans' Oral History Project
Park Theatre Foundation	Board of Directors
Queensbury All Sports Booster Club	Board of Directors
Rebuilding Together Saratoga County	Board of Directors
Salvation Army	Board of Directors, General Volunteer Work
Saratoga County History Center (Brookside Museum)	General Volunteer Work
Saratoga History Museum	Board of Directors
Saratoga Hospital Foundation	Foundation Board Member; Major Gifts Committee Chair; Co-Chair of the 2026 Capital Campaign
Saratoga Performing Arts Center	Chairman of the Board
Saratoga Springs Housing Authority	Board of Directors/ Chairperson
Saratoga Springs Rotary Club	Board of Directors, President Elect, General Volunteer Work
Saratoga Springs Rotary Education Foundation	Board of Directors; Executive Committee Member; Development Committee Member; Marketing Committee Member
Shelters of Saratoga	Board of Directors, Finance Committee member
The Angel Names Association	Board of Directors- Treasurer
The Community Hospice Foundation	Committee, Touched by an Angel Gala
The Kelley Family Charitable Foundation	Board of Directors -Vice President
The Kelley Family Charitable Foundation	Board of Directors
Tri County United Way	Finance Committee Member
Utica National Insurance Group	Educational Institutions Steering Committee

ATC uses a variety of media to advertise and inform our service area about our products and credit services. We provide advertising information using digital, print and broadcast media. Digital channels include but are not limited to: ATC website, PostStar.com, SaratogaToday.com, SaratogaBusinessJournal.com, GlensFallsBusinessJournal.com, and SaratogaReport.com. ATC also maintains Facebook, Instagram, and LinkedIn sites for non-product communications with the public. In addition to the hyper-local digital ads that are served on the preceding sites we are also active on Google, which includes Video, Search and Display ads, AdRoll Display ads, and StackAdapt, which includes Native and Over the Top ads. For print, the bank advertises primarily in the following newspaper sources: Saratoga Today, Saratoga Business Journal, Glens Falls Business Journal. Magazine advertising is placed in these free publications: Saratoga Living, Simply Saratoga, and Saratoga Family. In addition, we advertise on the following local radio stations: in Glens Falls, WFFG Froggy 100.3 and WNYG The Classics 101.7; in Saratoga Springs, Star Radio 93.3. Other advertising utilizes a variety of publications which include the annual Chamber of Commerce directories, as well as information in business and professional association directories and websites. The marketing department is continuously working on various nurture campaigns and utilizing lists from our core database to target the appropriate audience.

From January 1, 2025 to December 31, 2025, the Adirondack Trust Company and AMSURE Insurance have contributed over \$790 thousand dollars to a wide variety of organizations and charitable events that have attributed to the growth of the community.

For the SBA year ending September 2025, ATC approved 6 SBA 7(a) loans amounting to \$403,700 compared to 19 SBA 7(a) loans, amounting to \$2.45 million the previous year. ATC continues to be an active SBA lender in the Capital District. In 2025 through the SBA lending program, ATC assisted in creating/retaining a minimum of 9 jobs across 6 businesses. Additionally, of the 6 loans approved in 2025, one loan was issued to a minority-owned business.

The Adirondack Trust partners with Pursuit (a Certified Development Company or CDC) to provide bank customers with SBA 504 loans through a collaborative three-party partnership that reduces the lender's risk while providing small businesses with up to 90% financing. This creates a structure for the bank that reduces risk, improves capital efficiency and supports economic growth to our customers in the targeted communities. Our partnership with Pursuit helps drive local job creation and supports small businesses expansion. In 2025, through ATC's partnership with Pursuit, they were able to approve 7 SBA 504 loans totaling \$4.4 million.

The Adirondack Trust Company continues to partner (since September 2017) with Banzai, a free, online financial literacy program with efforts to improve the financial capability of local students through unique online learning initiatives. The Adirondack Trust Company is committed to providing students with the skills needed to successfully navigate the increasingly complex financial world we live in. The Adirondack Trust Company has partnered with Banzai to bring the Banzai programs to local students at no cost to schools or taxpayers and has implemented the program in nine schools with student participation amounting to 2,665.25 hours in the online curriculum in 2025. Interface improvements, additional courses offered as well as additional materials accessible have attributed to the success of the Banzai Program.

Annually, ATC provides personal document shredding days that are open to the public. In 2025, three shred days occurred in May, June and September. This service is intended for individuals to bring their personal data for confidential destruction. The annual shred days are very

successful and draw in a large crowd from the community who benefit from the service.

In 2025, The Adirondack Trust Company Community Fund, a public charity under Internal Revenue Code 501(c) (3), continued to welcome business partners into its fundraising efforts. In December 2025, Lend-A-Hand Grant awards totaled \$97,150 across 37 nonprofits in Saratoga, Warren, and Washington counties, versus \$104,946 across 47 nonprofits in 2024. More than a decade ago, the Community Fund was created by the bank to serve as a perpetual source of philanthropic support for local nonprofit organizations.

In 2025, *Saratoga TODAY* readers voted Adirondack Trust Company Best Bank (17 consecutive years) and Best Insurance Company (on behalf of AMSURE) and placed second as Best Mortgage Lender and second as Best Insurance Agent—Paul von Schenk in its Best of the Saratoga Region Awards.

In 2025, *Saratogian* readers voted Adirondack Trust Company Best Bank (23 consecutive years), Best Mortgage Service (21 consecutive years), Best Insurance Agency (on behalf of AMSURE; 20 consecutive years), Best Financial and Retirement Planning Firm, and Best Customer Service in its annual Readers' Choice Awards.

In 2025, readers of The Post-Star voted Adirondack Trust Company Best Financial Advisor, Best Wealth Management Company, Best Medium-Sized Company to Work For, Favorite Bank, and Favorite Mortgage Company in its annual Best of the Region Awards.

Throughout 2025, ATC continued to receive BauerFinancial's prestigious 5-Star Superior rating quarterly—reaching 78 consecutive quarters by year-end. This achievement solidifies Adirondack Trust's status as an "Exceptional Performance Bank", an honor reserved for institutions demonstrating consistent excellence, maintaining a 5-Star rating for 10 years (40 consecutive quarters) or longer. This recognition places the Bank among an elite group of financial institutions nationwide that have proven their resilience and commitment to financial excellence.

BauerFinancial, Inc., based in Coral Gables, Fla., is the nation's leading independent bank and credit union rating and research firm, has been reporting on and analyzing the performance of U.S. banks and credit unions since 1983. No institution can pay for or opt-out of a BauerFinancial rating. Star ratings are all available for free at bauerfinancial.com.

In FY 2025, the Bank originated \$176,613,290 in loans to help fulfill the credit needs of customers in communities served. During this period, a substantial majority of HMDA reportable loans and small business loans were made in the Bank's CRA assessment area. Total loans originated included the following:

	<u>12 months 12/31/24</u>	<u>12 months 12/31/25</u>
Residential mortgage loans (1-4 family) *	\$56,301,406	\$41,895,042
Commercial mortgage loans	\$36,056,928	\$41,636,344
Construction & home improvement loans	\$64,286,009	\$54,162,659
Home equity loans & lines of credit	\$20,472,500	\$21,647,772
Automobile loans	\$606,304	\$287,202
Personal installment loans	\$2,151,587	\$2,871,559
Commercial loans & lines	\$24,989,885	\$14,112,712
Total	\$204,864,619	\$176,613,290

*Includes FNMA loans originated and sold.

Included in the above credit accommodations are loans to a wide variety of customers in our service area, as well as the Bank's participation in a variety of governmentally insured, guaranteed, or subsidized loan programs for housing, or small businesses.

A list of these organizations includes but is not limited to the following:

- Empire State Certified Development Corporation
- Federal National Mortgage Association
- New York Business Development Corp.
- New York State Energy Research & Development Authority - Energy Smart Loan Fund
- New York State Excelsior Linked Deposit Loan Program
- Saratoga County Industrial Development Agency
- Statewide Zone Capital Corporation
- U.S. Small Business Administration
- U.S. Small Business Administration

In addition to the above loans, ATC has direct investments in various securities of New York State, its agencies, counties, and municipalities. These municipal investments totaled \$12,618,781.23 as of December 31, 2025, of which \$6,358,781.23 were investments in securities of municipalities specifically in our Assessment Area.

The philosophy of ATC and its Board of Directors is to promote community growth, to properly service the banking needs of our Assessment Area, and to place a priority on loans which maintain or expand the economic base of our market area.

The directors, officers, and employees of ATC take a great deal of pride in our being an integral part of the community. Our active participation provides us with a very high level of feedback in terms of all the credit needs of the community. This gives ATC employees and officers an opportunity to act as examples for other members and participants in our community. We also promote the recognition of those at every level who make positive contributions, whatever size, to the continued well-being and growth of our community.

In addition to the above, it is a philosophy of ATC to provide a very high level of service to our customers, prospects, and other members of the community. With virtually all our efforts concentrated on our well-defined market area, we are often able to provide credit accommodation, which may not otherwise be available. We are continually assessing the type of banking services we offer to our community.

We also support the other financial services of our customers by providing Trust, Wealth management, and insurance services. Our 38-year-old Trust Department and 25-year-old Insurance Division demonstrate the need and desire of our customers for local management and protection of their assets based on the following data:

	<u>12 months 12/31/24</u>	<u>12 months 12/31/25</u>
Trust - Customer account total balances	\$939 million	\$1.053 Billion
Insurance – Premiums (Property & Casualty)	\$112 million	\$125 million
Insurance – Premiums (Life & Health Insurance)	\$325 million	\$357 million

Lastly, the directors, officers, and employees are proud to offer the very best banking services with a well-earned reputation for safety, soundness, and integrity.

Exhibit A

The Adirondack Trust Company CRA Assessment Area – 2026

